The Wartime Job of Life Insurance p. 13-19

THE FINANCIAL POST

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Be Sure to Read

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The Nation's Business

Canada — U. S. Should Take Lead in Weapons

In one Canadian plant an important war weapon is being produced in 30% of the man-hours required for its production in Britain.

In another plant, a certain expensive operation, which was scheduled to take 24 hours, has been done in Canada in 6 hours.

Last week, Hon. C. D. Howe, mentioned another case where North American production techniques in a Canadian factory had reduced production time, and cost, by about one half.

These are vitally important facts in a war where time is of determining importance and where even cost is not inconsequential to burdened taxpayers.

Traditionally, manufacturing techniques in Britain stress craftsmanship, hand-tooling, sturdy design and the use of the standard materials.

On this continent, there is greater emphasis upon mass production, the use of machines for all operations, streamlined design and the use of the newer metals and alloys.

This represents no criticism of British industry. It merely indicates the difference between the manufacturing methods of the old world and the new. In peacetime each type of manufacture has its role to play. But in a war that sprawls across the entire globe, the quantities of tools that are needed are so great that mass production must be used.

That is no doubt one reason why Lieut. General McNaughton has urged for North America new facilities for the design of weapons.

That department could best take the form of a North American Council of Design and Development. It should embrace the best technical genius on the continent, the Americans and Canadians of the Kettering type of mind. To it the fighting men would refer their needs. The industrialist-engineers would produce the designs. They would keep in mind production as well as fighting problems. Once the designs were approved production could go on at many times the rate possible under the system of trying to adapt British blueprints to Canadian and U. S. plants.

There is no doubt a second reason why General McNaughton wants new techniques for weapon design. The older weapons have not stood up in this war. Our tanks, our guns, our ammunition have been outfought on many fronts. New ideas are needed.

We'll never win the war with weapons "just as good" as the Germans have; or by having "as many" tanks, guns, planes and other tools of war. We need radically better weapons than they have . . . and several times as many of them.

A new concept of the demands of this war is apparently coming to focus in all the United Nations. The United States has "streamlined" both its Navy and its Army to the end of insuring co-ordinated fighting between all fighting services. Sir Alan Brooke, the new Chief of the Imperial General Staff, is believed to be a "radical" thinker; and to recognize the role of airpower.

The interviews given by Lieut. General McNaughton in Canada indicated that he too knows the kind of war we are fighting and how it should be fought. Doubtless his conversations in Washington have helped to speed up joint plans for new weapon designs, faster production techniques, and the "dynamic offensive."

* * *

OUR STAGGERING WHEAT BILL

With a minimum of public discussion, Canada added nearly $60 millions to the annual cost of its wheat policy the other day, when the initial price was raised from 70 cents to 90 cents per bushel. When increases on coarse grain and flax and acreage diversion subsidies are added, total cost of our western grain policy this year may easily run around $125 millions.

This is a staggering sum. It is only $3 millions short of the interest on our entire national debt prior to the war.

Yet Parliament takes the whole thing in its stride and there is little indication of any great reaction throughout the country. Does this mean that the Canadian public has lost all sense of values, that the daily spending of huge sums on the war has completely numbed us in regard to public expenditures?

Admittedly, something had to be done for a major industry cruelly hit by the war. Wheat was our biggest export before the war. For many decades it was the keystone of our national prosperity. While it is doubtful whether it will ever achieve this dominance again, nevertheless, it is bound to be a major factor in our post-war re-establishment. But are we spending this money to the best advantage? The whole settlement savors more of high-pressure politics than sound economics.

Encouraging western farmers to grow more livestock feed in the way of coarse grains, encouraging them to grow more flaxseed and soya beans, to bolster our dwindling supply of vegetable oils, is one thing. These commodities are directly geared to our war effort. We need more of them and in encouraging their expansion we are developing a more stable agricultural farm economy.

Increased subsidies for wheat, however, are something entirely different. Already in Canada we have a wheat surplus of half a billion bushels. This is equivalent to two years of normal export. The United States also has a huge carry-over.

Even before the war Canada had a serious wheat export marketing problem. It was obvious long before September, 1939, that something would have to be done to curb wheat expansion and to develop other agricultural crops in western Canada. Our huge new war export of bacon, eggs and dairy products to Great Britain helped us make this diversion profitable. Unless we are singularly fortunate and careful, the increased prices we are now going to pay for wheat may swing the pendulum in the other direction.

* * *

WRONG POLICY THREATENS ADVERTISING

This week The Financial Post publishes a news dispatch from Ottawa that is of profound interest to all businessmen. It indicates that officials are considering a reversal of the government's attitude toward advertising expenditures. The new proposal is that firms "contributing" advertising for Victory Loan and similar patriotic purposes will not be allowed to consider the cost as a legitimate business charge and include it in their expenses before determining their profit for income tax purposes. Also indicated is the intention to hold all advertising to the prewar scale.

Business firms should protest this intended ruling with all force.

The great success of the Victory Loan campaign was due to the fact that enthusiasm snowballed from day to day as every avenue of publicity and education in the country was brought into play. Without the notable contributions of generous space and brilliant "copy" by business firms all over Canada, the campaign might well have fallen exceedingly flat. Those charged with raising money for Canada's war finance should have some say in this decision.

As for the second part of the ruling that is under discussion, there are many firms which will not have occasion to increase their advertising budgets above prewar levels. But other firms will, in the legitimate course of their business, have good reason to do so. Well-directed educational work regarding products and services can contribute greatly to efficiency, and all-out efficiency of the country's economic machinery is needed in wartime. Government regulations have changed the pattern of business; it is essential for business firms to keep the public informed as to the new conditions under which their goods and services are merchandised.

Movements Of Capital Blocked

Ban on Transfers From Britain Result of Canada's Billion Dollar Gift — Securities Listed

By STAFF WRITER

OTTAWA. — Capital transfers from Britain to Canada have now been "blocked" according to recent regulations drawn up by the Foreign Exchange Control Board. The new arrangement puts Canada in the same category as other nations which have been outside the sterling area since November, 1940. It results from the recent "billion dollar" gift which commits Canada to "making good" any adverse balance between the two countries in respect of sterling dollar requirements on sterling account.

The list of transfers now prohibited under the new blocked sterling procedure is as follows:

1. Sterling proceeds of securities drawn for repayment or maturing or surrendered for encashment before maturity. (This does not apply to National Savings Certificates; 3% Defense Bonds or Treasury Bills.)

2. Amounts to be distributed following the sale or winding up of companies or the dissolution of partnerships.

3. Legacies and similar payments (there is a general arrangement which excludes from the "blocked area" small legacies up to £100).

4. Capital payments arising out of settlements.

5. Proceeds of the sale of real estate, furniture, pictures, jewellery or other movable assets situated in the U. K. other than goods imported for sale in the regular course of trade.

Began November, 1940

History of "blocked sterling" in so far as it applies to transfers in the above categories, dates back to November, 1940, when the U. K. introduced regulations aimed to prevent transfers of capital except within the sterling area. By special informal arrangement at that time,

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Canadian Mining Chief

—Jean Gainfort Merrill photo.

Chosen unanimously by representatives across Canada, Robert A. Bryce, president of Macassa Mines, was installed as president of the Canadian Institute of Mining and Metallurgy at its annual convention in Toronto. Mr. Bryce thus has the highest honor in the gift of the mining industry; has the task of determining with authorities at Ottawa how these resources can still more fully be harnessed.

To Subsidize Grocery Items

See No Other Way to Adjust Price Squeeze – More Domestic Subsidies Expected

The Wartime Prices and Trade Board will shortly pay a domestic subsidy on a very considerable number of grocery items, The Financial Post is informed.

Decision to pay this subsidy has been reached apparently as an alternative to lifting the ceiling on a number of important staple and special lines.

Domestic Subsidies Climb

Eventually, according to one source questioned by The Post, the number of domestic subsidies which will be payable out of the public purse in order to maintain the ceiling will considerably outnumber the subsidies payable on imported goods.

When the Commodity Prices Stabilization Corporation was set up it was believed that its chief purpose would be to pay subsidies on imported lines so as to enable the price ceiling to withstand the pressure of increased prices in other countries—notably the United States.

Today it appears that a very considerable amount of public funds (perhaps a larger amount than may be needed at present for subsidizing of imported goods) will be needed to permit domestic producers and distributors in Canada to carry on business within the ceiling.

Hint Ottawa Ban On Patriotic Ads.

Contributed Advertising May Get No Tax Allowance if Switch in Official Policy Goes Through — Affects Patriotic Advertisers

By KENNETH R. WILSON

OTTAWA—A complete change in the government's attitude toward "contributed" and "normal" advertising appropriations is under consideration, The Financial Post is informed.

If present plans are approved, advertisers will no longer be permitted to spend an additional 10% of their 1936-39 average appropriations for "contributed" advertising and receive an income tax credit for that amount.

The reason given The Financial Post is that the use of this sort of advertising (which was specifically arranged in connection with the recent War Loan campaign) has expanded far beyond what was originally anticipated.

Present intention is to eliminate this type of tax credit entirely—no matter to what extent the advertising is used in furthering, either directly or indirectly, the war effort.

Another important change in policy is under consideration in respect of "normal" advertising appropriations.

It is now intended to place a rigid control over all advertising appropriations (so far as income tax regulations are concerned) and to apply the general yardstick of average appropriations in the period 1936-39 against all advertising expenditure.

Prior to the present Victory Loan Campaign, officials of the Dominion Income Tax Department exercised a general supervision over advertising expenditure as part of their regular duties.

Made Special Ruling

Because of special representations made by advertisers prior to the Campaign, a special ruling was made which permitted firms to "contribute" advertising space to the war loan and receive a tax credit to the extent of 10% of their appropriations during the period 1936-39.

The credit was only permitted if at least 75 or 80% of the space was contributed outright to the sale of Victory Bonds.

At the time this ruling was made it was generally understood that the new policy would apply fairly generally in respect of all advertising which was devoted to the war effort—general "propaganda" campaigns; advertising in aid of the Red Cross, salvage campaigns, etc., were all thought to be eligible for this special consideration.

Now apparently the entire policy is "out" so far as the federal tax authorities are concerned.

And, as well, there is to be a much more rigid control than heretofore on the general advertising carried on at the present time by Canadian business organizations.

Freight Rates Given Boost

From Our Own Correspondent

MONTREAL.—Import and export freight rates on Canadian railways will, in all likelihood, be increased generally to bring them into line with the new rates approved by the United States Interstate Commerce Commission. Meanwhile the Board of Transport Commissioners has given approval to a 6% increase on shipments between Canada and the United States.

United States and Canadian carriers also have asked the B. T. C. for permission to increase import and export rates between Canadian points and Canadian Atlantic and Pacific ports to the extent allowed by the I. C. C., but this request has been refused pending the hearing later this month on the prospective increase in rates on the Canada-U. S. freight movement.

Affects Price Ceiling

Railway freight rates come under the general price ceiling established in Canada last December and before any increase could be granted the Wartime Prices and Trade Board would have to give its approval. The Board has approved the boost in Canada-United States and United States-Canada rates but withheld its decision on other import and export rates pending this month's hearing.

The Victory Loan Triumph

Small Investor Makes Mighty Total

By STAFF WRITER

OTTAWA. — Greatly extended plans for employee payroll participation in the next Victory Loan drive are forecast here as a result of the overwhelming response of wage-earners in the campaign just closed.

On the basis of some 1,475,000 subscribers for around $1 billion of the loan, the average per subscriber works out to around $685.

In the First Victory Loan the Dominion average approximated $982 per subscriber. In the Second War Loan average was $2,268 and in the First War Loan $1,327.

At the beginning of the campaign, George W. Spinney, national chairman, stated his belief that the real success of the March campaign would be measured "by the extent to which we succeed in persuading wage and salary earners throughout Canada to forego other purchases and put their money in Victory Bonds."

What is probably indicative of results throughout the Dominion is the experience of Toronto so far as small subscribers are concerned. Original hope of loan officials in Toronto was to have about $35 millions in small subscriptions, that is $50 or $100 bonds. Actually the total reached $50 millions and the number of small subscribers in the city approximated 200,000 against 106,000 in the last loan.

Here are some comparative figures of results:

Previous Loan (1941):

General subscribers	920,000
Average contribution	$304
Total contributed ..	$280 millions

2nd Victory Loan (1942):

General and employee subscribers	1,475,000
Average contribution	$214
i.e. excluding "special names" list.	
Total contributed ..	$316 millions

Most significant feature of the new loan has been the increase of over half a million in the number of subscribers—an increase of over 60% compared with the 1941 effort. Since the 1941 loan made no attempt at a special drive on employee payroll contributions the actual amount obtained per subscriber was somewhat higher. If employee payroll contributions are deducted from the total of individual subscriptions, it is found that the amount subscribed by the average general subscriber is actually higher this time — about $320 per person compared with a final estimate of $304 in the last loan.

$95 Per Employee

Breakdown of general and employee subscriptions to the present loan indicate that of 1,475,000 subscriptions, about 675,000 subscribed by way of payroll canvass. Average contributions are about $95 per worker.

Included in this total are the members of the armed forces in Canada who were also canvassed individually in this loan, in the same way as wage-earners. The number of men canvassed in the armed services was something over 250,000.

The wage-earner canvass tapped 5,000 establishments — factories, transportation companies, stores, etc. The yardstick in most prov-

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Aluminum Co. of Canada Undertakes New Expansion

From Our Own Correspondent

MONTREAL.—Aluminum Co. of Canada has started to put into force plans for a further substantial increase in production.

The first stage is the letting of a $1.5 million contract to Fraser Brace Engineering Co., Montreal, for construction of four more pot rooms in the St. Maurice Valley. Power will be supplied by Shawinigan Water and Power Co. Because of official secrecy no information can be given as to the capacity of the new addition.

Indications are that the work on this new unit will be rushed and probably brought into operation at or before the end of the year.

Meanwhile work is proceeding rapidly on the major extension to the Arvida smelter. The general contract for this project, running into several millions and involving the construction of a $35 millions water power plant on the Shipshaw, is being handled by Foundation Co. of Canada and is proceeding on schedule. This work was started some time ago and should be completed, in so far as smelter capacity is concerned, before many months have passed.

Subsidy Pleas Coming In Slowly

Importers Said Backward in Asking Ceiling Relief

By STAFF WRITER

OTTAWA. — "Canadian importers are still backward in coming forward," say officials of the Commodity Prices Stabilization Corporation. Number of claims received so far by importers who wish to claim subsidy within the price ceiling is still below the 500 mark. The number is increasing slowly, however, as the official forms are distributed.

In addition to the general form under which most importers will claim subsidy the board has now printed and distributed special forms for importers of coal. Special forms for domestic subsidies payable to milk producers and distributors, manufacturers of footwear are also available.

The period under which the milk subsidy is payable terminates April 1. By that time a new recasting of milk prices throughout Canada which, it is hoped, will remove the need for this subsidy is expected to be completed.

Although not originally stated when the general rules for subsidy payment were set up, the board now sets a definite limit on the amount of subsidy which it will pay on certain items.

For example, the subsidy on prunes is limited to 3½ cents a pound. The subsidy on grapefruit juice is limited to 20 cents a case.

Additional special forms will be distributed wherever the corporation is empowered by the Wartime Prices and Trade Board to treat one industry or trade as a group.

Canadians Spent 28% More On Food During January

By B. T. HUSTON
Editor, Canadian Grocer

With prices frozen on everything, the public is buying more of the luxury items available and, even though the cost-of-living index figures show a very slight advance, total purchases of food are considerably higher. The Dominion Bureau of Statistics list of food items for its cost-of-living index covers only about 30 to 35. But the housewife is buying scores and hundreds of others.

In January the Canadian public spent no less than 28% more on foods than in January of last year. So that even if prices paid were not above the basic period ceilings, it has actually cost families more to live.

The fact that housewives can remember comparative prices on only a dozen or two grocery items from one purchase to another is something that is making ceilings difficult to operate successfully. Nor could most grocery retailers, who turn over their stocks anywhere from 15 to 24 times a year and who buy accordingly, recall all their prices in the base period. This is especially the case where a grocer does a cash business and has no records of credit transactions.

Growers of tomatoes, peas, corn, green and waxed beans are to get more money for them and maximum prices paid by wholesalers to canners have been fixed on an f.o.b. factory basis away higher than a year ago—in some cases 50c. a case. Tin can sizes have also been fixed as well as list of products to be banned this year.

The only problem left up in the air—and it's a tough one—is the prices to wholesale and retail grocers and their respective ceilings, if any. If ceilings on 1942 packs are to be maintained subsidies will be tremendous. It may be that official Ottawa is postponing the evil day by waiting until canning time comes around again; and it might even decide to take the ceilings off canned foods entirely.

Farm Income Gets Huge Boost

Over $100 Millions to Wheat, Coarse Grains and Flax

By STAFF WRITER

OTTAWA.—Prairie farm revenue may soar to around $500 millions in 1942-43—an increase of $125 millions over last year, as a result of the vast, far-reaching programme introduced into Parliament this week.

Never at any time in Canadian history has such an extensive plan of agricultural assistance been contemplated.

The programme as outlined by Hon. James A. MacKinnon, Minister of Trade and Commerce, and Hon. James G. Gardiner, Minister of Agriculture, has a three-fold purpose:

1. To meet the flood-tide of political and farm pressure of western Canada for a higher initial or guaranteed price for wheat.
2. To stabilize and bonus the production of coarse grains.
3. To produce a record-breaking flax crop as an answer to the dire shortage of vegetable oils.

Some Agreement

Most contentious part of the programme is the handling of the wheat problem. Most people in Ottawa seem to agree on two things concerning wheat: (a) that acreage and marketings must be restricted; (b) that the farmer is entitled to a higher price for whatever wheat he is to be allowed to grow or market.

The higher price that Ottawa has had in mind for some time is 90 cents a bushel (minimum price for No. 1 Northern wheat at Fort William). This compares with 70 cents at present. Western farmers asked anything up to $1.50 and there is still considerable pressure. Official ceiling price of the Wartime Prices and Trade Board is about 78 cents for cash wheat.

All officials except Mr. Gardiner reached agreement a week or so ago that the way to meet this situation was to move the initial price of wheat up to 75 cents and compensate the western farmer by way of 15 cents per bushel warrants." This would permit the grain exchange to function; would nominally absolve the price ceiling authorities and at the same time give the western farmer an "effective" 90 cent price for the majority of his crop.

Patterson Rumpus

Having apparently lost his argument, Mr. Gardiner found a ready and responsive ally in Premier Patterson of Saskatchewan, who flew in from Regina at the eleventh hour and raised a mighty rumpus. He won the argument and the 90 cent price stays.

The Grain Exchange and Donald Gordon are left to make the best they can of a bad job.

Unless the Exchange can devise a way to have millers do their trading through Winnipeg, about all the business they can do now is the sale of perhaps 25 or 30 million bushels to foreign neutral countries.

As for Mr. Gordon, he is now faced with paying a subsidy of approximately 12 cents a bushel on perhaps the 80 million bushels of wheat that enters the domestic trade ($9.6 millions).

How this subsidy is to be financed is not yet determined. It can either be paid direct out of the public treasury or an attempt may be made to absorb the "squeeze" among bakers and millers.

Were the board to attempt to pass part of the cost along to Canadian bakers they would face a very cold and bitter reception. Bread, it is claimed, is the only foodstuff still selling on a prewar price basis. Bakers claim they are even now at the end of their tether in trying to stay within their ceiling. They would be up in arms at any attempt to have them absorb part of the new bonus to wheat farmers.

Won't Pass on to Public

In spite of having permitted wheat farmers to puncture the wheat price ceiling there is little chance of the Board permitting the increased cost to be passed on to the public through higher bread prices. If Canadian millers cannot be persuaded to pay part of the shot, the entire bill will almost certainly be thrown back into the lap of the taxpayer.

Just where the Wheat Board will stand ultimately in the present situation is not clear until such time as the new U. K. contract price is known. The present price ranges between 80 and 85 cents. If it were continued the Board would "lose" five cents or more on the 200 million bushels which Canada hopes to be able to ship to U. K.

It is highly probable that a higher U. K. price will be established—possibly 90 cents a bushel.

Deficit Now $80 Million

According to Hon. James MacKinnon, the Wheat Board deficits on 1938, '39 and '40 crops now amount to $80 millions.

The government for 1942-43 has placed a limit on authorized wheat deliveries of 280 million bushels compared with 230 million bushels last year. Marketings will be permitted on a quota basis yet to be determined and based on authorized area of 20 million acres.

Procedure adopted by the government to encourage production of coarse grains is as follows:

1. Oats, minimum price at Fort William of 45 cents (present ceiling price is 51½ cents).
2. Barley, minimum 60 cents (present ceiling 64¾ cents).
3. Payment on both these crops of an acreage bonus of $2 an acre when land has been diverted from wheat.

The Wheat Board is not to take delivery of these grains but the policy aims merely to stabilize both future and cash prices by purchasing these grains in the open market whenever the price falls below these levels.

The assured return to growers of

(Continued on page 2, col. 2)

Ottawa Confused On 2-pants Issue

By STAFF WRITER

OTTAWA.—Mixed with pleasure at the new saving and simplification rules for men's and boys' clothing is wonderment in official and social circles as to whether any real saving will be accomplished by outlawing two-pant suits for the duration.

A quick canvass of citizens in and out of government disclosed that a majority view two-pant suits as a definite economy. Admittedly, custom tailors frown on the extra pair of pants, but the rank and file of those who buy their clothes ready-made incline to the view that the two-pant suit is a real economy in the long run and that with careful husbanding of the coat during office hours, etc., a two-pant suit can be made to last almost twice as long as a single-panter.

Assuming this figuring is correct—or even that it is overoptimistic—it is argued that there is still economy in buying two-pant suits, an economy that is apparently out for the duration under the new rules announced this week.

EATON'S - COLLEGE STREET

For Spring!
Oxford Cloth
SHIRTS

A favourite for Spring and Summer wear . . . smart shirts tailored from imported cotton Oxford cloth. This rich-textured fabric combines comfort and smartness. Styled along easy, casual lines with generously cut long-point collar. White and soft shades of grey, blue, green, tan and canary. Sizes 14 to 16½. Each . . .

3.00

Free Parking While Shopping

MEN'S SHOP
Civil and Military Outfitters

EATON'S - COLLEGE STREET

The War and Business . . .

Howe Reports

Speaking without a prepared manuscript before him, Hon. C. D. Howe, Minister of Munitions and Supply, gave a lot of new facts on Canada's war production in Toronto last week. Some of his points:

Canada is shipping 1.5 million artillery shells a month, all components being made in Canada

"More than 50" of the 25-pounder guns are being made monthly in a plant built to turn out eight a month. The same plant is turning out 4 in. and 5 in. naval guns.

Bren machine gun production is 3,500 a month. The same plant is turning out Colt-Browning's at the rate of 2,000 a year and has begun production of the Boys anti-tank rifle.

Lee-Enfield rifle production is stepping up "at the rate of 2,000-3,000 a month." Peak production will be reached in June.

Canada produces 85% of the aluminum used in the United Kingdom and 100% of that used in Australia and ships a "considerable tonnage" to the U. S.

Canada now produces 44% of all the aluminum produced on the North American continent. Over 2 million h.p. of electrical energy is being used in its manufacture.

The new synthetic rubber plant will cost $35 millions and will be operating in 15-18 months. But not a pound of the product will be available for civilian use.

Canada has shipped "several hundred" tanks to Russia, representing almost the entire production of one of our two plants. This Canadian tank is the Russians' favorite tank.

"I can not think of any battlefield in this war where Canadian weapons are not being used." Mr. Howe mentioned specifically Russia, Libya, Britain, Burma, Singapore, Dutch East Indies and the Philippines among others.

"The first shipment of aid from North America to China came from Canada."

Canada now has 600,000 men and 125,000 women in war plants. There will be many more women. They have proven clever and efficient, particularly in repetitive operations.

* * *

U. S. Changes Coming

Washington observers are looking for a cabinet reorganization at Washington something similar to the recent shake up in Great Britain. Like Churchill Roosevelt is criticized for attempting to do far too much himself. So far, it is claimed, the President has only had one right hand man, Harry Hopkins and it is no secret that Hopkins has been in failing health for some time and is unable to make quick decisions.

Like the British the American public has been demanding offensive action. To meet this demand, there have already been made sweeping changes in the American high command. A reorganization of the cabinet, it is said, will come next. Also under way are revision of weapon design to give needed improvement; more co-ordination of fighting forces, land, sea and air; and a change from defensive to offensive strategy.

* * *

Getting More

Canadian Shipping and Marine Engineering News discusses means of increasing shipbuilding output in Canada. Its suggestions include:

Greater use of welding;

More emphasis on pre-fabrication;

Increase of crane capacity in yards;

More use of mechanized equipment;

Mass production of parts, and interchange of parts between yards.

* * *

Black Markets

Enforcement officers for the Wartime Prices and Trade Board are well aware of the likelihood that "black markets" will develop in Canada for many everyday articles as existing supplies are sold and new ones become scarce. To date they have had 52 prosecutions and achieved 49 convictions, mostly for offenses against sugar rationing and rental control.

They are, however, well aware of what has happened in Great Britain. In that country prosecutions have reached a high point at 3,500 monthly for infringements of regulations, particularly of food rationing, and even then the authorities have not been able to cope adequately with the offenders.

Canadian enforcement officials, headed by F. A. McGregor, combines investigation commissioner, do not expect as serious a problem as in Britain but are preparing for rapid action when necessary. They are decentralizing their organization, making use of R.C.M.P. and weights and measures investigators wherever possible and keeping as far away from the "Gestapo" concept of law enforcement as they can.

* * *

Away Ahead

Ralph P. Bell, director general of aircraft production recently put Canada's aircraft programme at $500 millions.

Some manufacturers, he said, had orders running into 1944 and even 1945.

* * *

Women at War

Women make successful war workers, even on intricate machining jobs. This has been proved in the United States, Canada and Britain.

Channing Dooley, chief of training for U. S. production, said last week, "We have got women doing work that would stump watchmakers."

A gun plant superintendent in Canada told The Financial Post, "We average higher production from women workers than from our old-time mechanics. The older fellows 'know' precisely how much can be done in a day. The women don't know and so they turn out more than the men. They haven't got habits and prejudices to unlearn."

In Britain the experience with women workers, particularly in repetitive operations, has been equally satisfactory.

Living Historic Times With Canada

For 124 dramatic, dynamic, historic years the Bank has lived, worked and watched with Canada.

Founded two years after the Battle of Waterloo, the Bank witnessed the Crimean War, the Indian Mutiny, enlisted for the duration of the South African War and World War I, and now marches with the Dominion and the Empire in World War II.

Always, Canada has come through stronger, better, triumphant. May she so come through the present fiery trial. To this end we work and dedicate the institution's services.

BANK OF MONTREAL
"A Bank Where Small Accounts Are Welcome"
Modern, Experienced Banking Service . . . the Outcome of 124 Years' Successful Operation
A166

Movement of Capital Blocked

(Continued from page 1)

transfers were permitted to Canada in spite of these regulations.

No Longer Necessary

Now that Canada has undertaken to contribute a billion dollar gift to Britain and has, in effect, underwritten adverse sterling balances, it has become necessary to put Canada within this sterling block in order to prevent what would be a further burden on Canadian taxpayers to the extent that such transfers were made. Had this not been done, it would mean that any such transfers would have to be financed by Canada just in the same way that additional purchases in this country (both of which require payment in Canadian dollars) would demand settlement by the government under the new Canada-U. K. arrangement.

Prescribed List

Under the blocked sterling plan, persons who are unable to transfer legacies, etc., to Canada may invest only in certain prescribed securities. The official list of eligible securities is as follows:

2¾% Annuities.
2½% Annuities.
4% Consolidated Stock.
2½% Consolidated Stock.
5% Conversion Stock 1944-64.
3½% Conversion Stock.
3% Conversion Stock 1948-53.
2½% Conversion Stock 1944-49.
2% Conversion Stock 1943-45.
3% Defense Bonds.
4% Funding Stock 1960-90.
3% Funding Stock 1959-69.
2¾% Funding Stock 1952-57.
2½% Funding Stock 1956-61.
Guar. 4½% Bonds (registered, prin. and int.).
Guar. 3% Stock.
Guar. 2¾% Stock.
Guar. Land Stock.
Local Loans 3% Stock.
3% Nat. Def. Stock 1954-58.
2½% Nat. Def. bonds 1944-48 (reg. prin. and int.).
2½% War Bonds 1945-47.
2½% War Bonds 1946-48.
3% Redemption Stock 1986-96.
3% Savings Bonds 1955-65.
4% Victory Bonds (reg. prin. and int.).
3½% War Stock.
3% War Stock 1955-59.
2½% War Bonds 1949-51.

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Farm Income Gets Boost

(Continued from page 1)

coarse grains is approximately equal to the return from wheat.

With flax, the government has closed the market and has agreed to take delivery of all the flaxseed which Canadian farmers can produce. The price is fixed at $2.25 compared with a ceiling price of $1.64 per bushel. The government hopes to at least double the flax acreage over last year and produce a crop of possibly 20 millions bushels.

In explanation of its wheat policy, government officials point out that the policy is designed to aid those who have no alternative but to continue producing wheat and that while the quota is raised by 50 million bushels this is not an invitation to farmers to expand wheat acreage.

The quota, it is stated, can in all probability be filled by adhering to last year's limit on acreage which is being retained unchanged. (The limit is 65% of the 1940 acreage sown to wheat.)

For wheat farmers who have crop failures, the Prairie Farm Assistance Act is being continued with amendments. The stipulation that the price should drop below 80 cents in order to establish an "emergency" condition is withdrawn and $10 millions is allotted for this purpose in the coming year.

How Can I Meet The New Double Death Duties

This is the title of a series of special articles on Succession Duties, which commenced in last week's issue of The Financial Post. Article No. 2 will appear in next week's issue.

Bond Redemptions

Acadia Sugar	4½%	1955	Apr. 1	102
Saguenay Pr. B.	4¼%	1966	Apr. 1	104
Amer. H. Tire	7½%	1943	May 1	105
Stand. Lime	4½%	1944	May 1	102
†$24,000.	†$07,000.	†$23,700.	†$20,500.	

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ACME GLOVE WORKS LIMITED, MONTREAL

The Victory Loan Triumph

(Continued from page 1)

inces was whether or not the firm had 50 or more employees. Including the armed services, total number of persons canvassed in this way amounted to close to 1,500,000. Contributions were made therefore by almost half the total.

Several thousand firms exceeded their quota and a very large number reported 100% of their employees participating.

Installments Heavy

Although no official estimate is yet available it is known that a very substantial proportion of the subscriptions received through the employee canvass will be payable on the installment plan. Wherever possible the canvassers sought to have these installments collected over not more than a seven-month period. Reason for this is that in the last loan many firms undertook to handle Victory Loan subscriptions on a monthly basis with a customary spread of 10 months in which to pay. When the canvasser called for this loan these subscriptions were still being collected, thus adding a complication to obtaining further subscriptions. Termination of installments for the present loan in seven months (September) will, it is hoped, clear the way for a further campaign in the fall.

Apart from employee subscriptions it is estimated that over 800,000 persons subscribed as a result of the general canvass. This is in addition to the employee contributions and compares with last year's figure of 920,000. (The comparison is not strictly accurate because of the fact that the latter figure included many employee or wage-earner subscriptions.)

Good Propaganda

One important value of the employee canvass has been the opportunity to sell Canada's war effort directly to the man in the factory and the girl behind the counter. Loan officials claim they would be quite justified in charging at least half their campaign expenses to general war propaganda account. Other benefits are of course improved employer-employee relationships and the fundamentally important fact that every wage-earner's dollar diverted into savings is a further hedge against inflation.

Life Insurance Biggest

As a group the largest single subscribers to the Loan have been the life insurance companies which have turned in over $135 millions.

For Ontario, subscriptions totalled over $444 millions or $605 per capita, this amounting to $227 per capita excluding Special Names.

Among Ontario municipalities an interesting analysis shows that in Toronto one citizen in every 4.2 bought a bond, in Hamilton one in every 2.6, in Ottawa one in every 3.8; in Windsor one in every 3 and in London one in every 3.7.

Toronto subscribed over $200 millions but its apparent out-of-line showing on a per capita basis is explained by the large number of Torontonians who work in war plants just outside the city limits and whose subscriptions are credited to those suburban municipalities. For instance, North York Township, which borders Toronto, has the best per capita record in Ontario with one bond buyer for every 2.1 citizens. Etobicoke, another Toronto neighbor has one for every three and Scarboro one for every 3.4.

For all Ontario there was one subscriber for every 4.7 people as compared with one for every 7.9 in the last loan.

Deducting general subscriptions from the total amount subscribed in each loan, indicates that in the new Victory Loan about $511 millions or 52 per cent was subscribed by "special names," i.e., corporations, insurance, banking and loan organizations, etc. The corresponding figures for the previous loan were $432 millions or about 54%. Conversions represented $152 millions in the new loan and $96 millions in the last 1941 campaign.

Company Reports

National Breweries

Due to shipments overseas and increased domestic sales, gross income of National Breweries Ltd. recorded a sharp advance in 1941. Gross income of $3.7 millions, compared with less than $2.5 millions the year before. After taxes net available on the common amounted to $2.59 a share, as against $1.80 the year before.

The balance sheet reflects further strengthening in an already strong position. Decline in investments was more than offset by gains in cash, accounts receivable and inventories.

During the year Kenneth T. Dawes resigned as vice-president and director. He was succeeded by Hon. Alphonse Raymond. James D. Hudson, vice-president and comptroller also resigned; he continues as a vice-president and director.

Income and Surplus Account
Year Ended Dec. 31

	1941 $	1940 $
Gross income*	3,708,310	2,455,982
Less: Pfd. dividends	194,250	194,250
Com. dividends	1,442,744	1,442,744
w/o Real estate	29,715	......
Tax provision	1,650,000	800,000
Depreciation	......	160,000
Surplus	391,601	†141,460
Previous surplus	5,680,006	5,864,978
Less: Tax adjust.	......	43,512
Pension fund	500,000	......
Surplus forward	5,571,607	5,680,006
*After charging:		
Depreciation	158,492	......
Exec. salaries	149,750	184,853
Directors' Fees	8,773	6,930
Legal Fees	2,828	5,051

†Deficit.

Working Capital

	1941 $	1940 $
Current assets	9,993,880	8,166,355
Current liabilities	2,475,794	940,868
Working capital	7,518,086	7,225,487

Balance Sheet Charges

	1941 $	1940 $
Cash		
Accts. receivable	1,064,172	506,628
Inventories	2,317,070	1,476,205
Investments	4,113,912	4,590,898

Intercolonial Coal

Intercolonial Coal Co. reports net profit of $49,857 for 1941, equal, after preferred dividend, to $3.39 a share on the common stock. This compares with the 1940 net of $69,189 or $5.33 a common share.

Coal output last year was 178,369 tons, as against 213,893 tons the year before. Gross income from all sources totalled $83,990, against $106,000 in 1940.

Balance sheet shows current assets of $760,426 and current liabilities of $59,623, as at December 31, 1941, indicating net working capital of $700,803. This contrasts with $689,714 at the end of 1940.

Monarch Knitting

Monarch Knitting Co. reports operating profits for 1941 slightly below the 1940 level but, due chiefly to smaller tax provision, net profits are higher. On the preferred shares the company earned $9.64 a share in 1941 against $6.25 a share in 1940. One year's dividends were paid, leaving arrears unchanged at $63.16-2/3 a share. On March 26 another $7 a share will be paid.

It is stated that no decision has yet been obtained on the company's application for adjustment of standard profits.

Working capital is up about $50,000 to $899,279 at the end of 1941. Bank loans of $52,102 are reduced from $238,776.

Income and Surplus Account
Years Ended Dec. 31

	1941 $	1940 $
Operating profit	182,283	188,875
Less: Depreciation	35,000	35,000
Income & E. P. tax.	75,000	107,000
Net profit	72,283	46,875
Less: Pref. divds.	52,500	52,500
Surplus for year	19,783	*5,625
Add: Prev. surplus	616,941	594,088
Life insur. adj.	918	17,422
Res. for royalties	......	12,431
Less: Tax adjustment	......	1,375
Surplus forward	637,642	616,941
*Deficit.		
Earned per Share:		
Preferred	$9.64	$6.25
Paid	7.00	7.00
Shares O/s.:		
Preferred, $100 par	7,500	7,500
Common, $100 par	12,750	12,750

Working Capital

	$	$
Current assets	1,339,122	1,388,785
Current liabilities	439,843	542,704
Working capital	899,279	846,081

G. Tamblyn Ltd.

Sales of G. Tamblyn Ltd. in 1941 at $4.4 millions exceeded 1940 sales by $581,000 and was the highest sales volume in the history of the company. W. C. Scott, president, notes that operating expenses were considerably higher, due chiefly to greatly increased wages, but including also increases in service charges, extra advertising, etc., but it is to be expected that ceilings in the different fields will control future operating expenses generaly.

Annual meeting will be held at the head office of the company, Toronto, March 25.

Income and Surplus Account
Years Ended Dec. 31

	1941 $	1940 $
Operating profit	307,500	246,242
Add: Invest. inc.	2,128	......
Prof. sale invests.	650	......
Interest	124	2,047
Emp. sav. returns	7,804	3,286
Net income	318,204	251,575
Less: Dirs. fees	1,920	1,940
Depreciation	35,466	36,093
Amort. of leases	12,548	9,779
Taxes	137,448	74,436
Net profit	130,820	129,327
Less: Pfd. divds.	15,000	15,000
Com. divds.	89,600	89,600
Surplus for year	26,220	24,727
Add: Prev. surplus	507,853	486,475
Less: Pr. yr. taxes	3,761	11,134
Loss sale assets	136	*411
Add: Emp. savs. pr. yrs.	......	7,374
Surplus forward	530,177	507,853
*Profit.		
Earnings per Share:		
Preferred	$2[illegible]	$21.66
Paid	2.50	2.50
Common	1.03	1.02
Paid	0.80	0.80

Working Capital

	1941 $	1940 $
Current assets	1,275,256	1,222,810
Current liabilities	559,323	488,866
Working capital	715,933	733,944

Montreal Cottons

Sharply improved earnings are reported by Montreal Cottons Ltd. During 1941 income from all sources at just under $2.5 millions showed an increase of $1.1 million over the preceding year. After an increase in reserves amounting to over $3 a share, the company showed a net profit equivalent to $13.20 a share on the common stock, as against $4.09 a share the year before.

The balance sheet reflects the marked betterment in earnings, with net working capital at $2.8 millions, an increase during the year of $420,000. Receivables and inventories show a minor reduction, but these are more than offset by an increase in cash and investments.

Income and Surplus Account
Years Ended Dec. 31

	1941 $	1940 $
Manufac. profit	2,414,699	1,311,195
Other income	54,407	29,387
Total income	2,469,106	1,340,582
Less: Depreciation	500,000	400,000
Bond interest	17,744	18,524
Exec. salaries	34,500	34,500
Directors' fees	9,205	9,540
Legal expenses	2,914	635
Adj. income tax	8,672	11,398
Income taxes	1,290,000	533,000
Net profit	606,071	332,985
Pfd. dividend	210,000	210,000
Common dividend	120,000	120,000
Surplus	276,071	2,985
Previous surplus	95,305	132,567
Less: S. F. reserve	41,454	40,247
Cont. reserve	50,000	......
Pension fund	50,000	......
Surplus forward	229,922	95,305

Working Capital Position

	1941 $	1940 $
Current assets	4,177,660	4,015,799
Current liabilities	1,371,216	1,631,219
Working capital	2,806,444	2,384,580

Balance Sheet Changes

	1941 $	1940 $
Cash	566,363	207,071
Inventories	1,911,307	2,284,726
Investments	706,051	467,697
Property	9,106,698	8,795,793
Bank overdraft	......	243,138

Dosco Profit Is Up Slightly

Dominion Steel & Coal Corp. reports profits from all sources of $3.4 millions for 1941 compared with $3.1 millions in 1940. Net profit, after all charges, was $1.1 million last year. This is equivalent to $1.12 a share on the class B stock and compares with $1.11 a share on the same stock in 1940.

Net working capital is $2.4 millions higher at $13.7 millions. The company spent $2.3 millions on capital expenditures last year.

The president states that operations in 1941 were practically at capacity throughout the year. New capital additions scheduled to come into operation this year include a 110-inch plate mill, a new 100-ton open hearth furnace and further blast furnace units.

Bond Tenders

12 noon, Mar. 12: Canada Treasury Bills—$45,000,000, dated Mar. 13, 1942, payable June 12, 1942.

THE NATIONAL BREWERIES LIMITED
ANNUAL REPORT
for the year ended December 31st, 1941

TO THE SHAREHOLDERS OF
THE NATIONAL BREWERIES LIMITED.

Your Directors submit herewith the Thirty-Third Annual Report of your Company, together with Balance Sheet and Profit and Loss Account for the year ended December 31st, 1941.

The Profits for the year, after all charges for Administration, Depreciation, and after providing for Dominion Income and Excess Profits Taxes, amounted to		$2,058,310.12
from which has been deducted:		
Dividends on Preferred Stock	$ 194,250.00	
Dividends on Common Stock	1,442,744.00	
Amount Written Off Real Estate	29,715.08	
		$1,666,709.08
Leaving a Balance to be credited to Earned Surplus of		391,601.04
The Earned Surplus at 1st January, 1941, amounted to		5,680,006.01
		6,071,607.05
Less Initial Contribution to Pension Fund Society		500,000.00
Leaving Earned Surplus at 31st December, 1941		$5,571,607.05

The Company and its subsidiary had to provide during the year 1941 an amount of $9,366,402.91 to meet taxes, licenses and duties.

During the year, there was an urgent appeal to the Canadian Industry for the supplying of a quantity of beer to be shipped to the Near and Middle East for the troops there. Your Company, with other brewing companies, was able to accede to this request to some extent, and this, with the increase in buying power throughout Canada, accounts for an increase in the volume of sales of the Company's products.

Your Company has for many years provided benefits to its employees, including Sick Wages, Medical Service, Vacations with Pay, Employees' Association Activities and Allowances to those employees who have reached retiring age or have become incapacitated during their service with the Company; and, as a measure of further security, your Directors deemed it advisable to establish a Pension Fund Society under the provisions of the Pension Fund Societies Act. An initial contribution of $500,000.00 has already been made thereto.

We can report satisfactory arrangements for supplies for the year 1942.

We are glad to report that your Company's Repair Shops have been able to carry out in a satisfactory manner some contracts for War Supplies.

Your Directors regret to report the retirement of Mr. Kenneth T. Dawes as a Director and Vice-President of the Company. The Hon. Alphonse Raymond was elected to fill the vacancy on the Board.

Your Directors also regret to announce the retirement from active participation in the affairs of the Company of Mr. James D. Hudson, Vice-President and Comptroller, who had been with the Company since its inception, and had been connected with the Industry for over fifty years. Mr. Hudson has consented to remain a Director and Vice-President.

The Company has made arrangements whereby employees wishing to assist with the War effort may subscribe for War Savings Certificates and Victory Bonds to be paid for by wage and salary deductions. The purchase of certificates and bonds under this plan is entirely voluntary.

It is gratifying to be able to report the splendid loyalty shown and the co-operation given by all the employees in all departments of the Company.

Submitted on behalf of the Directors.

NORMAN J. DAWES,
President.

Montreal, February 25th, 1942.

BALANCE SHEET AS AT 31st DECEMBER, 1941

ASSETS

Current Assets:		
Cash		$1,064,172.30
Accounts Receivable, less provision for Doubtful Accounts		2,498,725.57
Stocks of Beer, Malt, Hops and Supplies — As determined and certified by responsible officials of the Company. Valued in each case at standard cost or under and not above market value at this date, less Reserve.		2,317,070.57
Investments, including Dominion and Provincial Government Bonds and other Marketable Securities, less Reserve (Approximate Market Value $4,217,676.00)		4,113,912.43
		9,993,880.87
Investment in Subsidiary Company Shares		12,873.45
Other Investments, less Reserve		215,701.00
Property Accounts:		
Real Estate, Buildings, Machinery, Equipment, etc. Valued on the basis of Appraisals made in 1912 and 1913 by the Canadian Appraisal Co.; Putnam & Nesbitt and Putnam & Robertson, with subsequent additions thereto at cost, less amounts written off	12,100,216.06	
Less Depreciation Reserve	6,674,404.92	
	5,425,811.14	
Garage and Stable Equipment at cost, less amounts written off, less Reserve	103,119.53	
Casks, Cases, Bottles, etc., at cost, less amounts written off, less Reserve	379,896.72	
		5,908,827.39
Deferred Charges:		
Taxes, Insurance, etc.		168,791.98
Goodwill, Trade Marks, etc.		1.00
		$16,300,075.69

Approved on behalf of the Board
Norman J. Dawes
J. D. Hudson } Directors.

LIABILITIES

Current Liabilities:		
Accounts payable		$ 964,852.62
Taxes (After applying Dominion Income and Excess Profits Taxes paid in advance $400,000.00)		1,510,941.54
		2,475,794.16
Amount Due to Subsidiary Company		67,389.48
Capital Stock:		
Preferred— Authorized: 160,000 Shares of $25.00 each .. $4,000,000.00		
Issued: 111,000 Shares of $25.00 each	2,775,000.00	
Common— Authorized: 960,000 Shares of No Par Value		
Issued: 721,372 Shares of No Par Value	5,410,285.00	
		8,185,285.00
Earned Surplus		5,571,607.05
		$16,300,075.69

Audited in accordance with our Report of this date.

CREAK, CUSHING & HODGSON,
Chartered Accountants.

MONTREAL, 25th February, 1942.

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1941

Profit from Operations after deducting depreciation, all expenses of manufacturing, selling and administration and charging adjustment arising from change of method in determining cost value of Inventories		$3,496,913.29
Investment Income		179,419.26
Profit on Sale of Investments		27,514.75
Profit on Equipment Sold		4,462.82
		3,708,310.12
Deduct:		
Dividends—		
On Preferred Stock	$ 194,250.00	
On Common Stock	1,442,744.00	
	1,636,994.00	
Amount written off Real Estate	29,715.08	
Provision for Dominion Income and Excess Profits Taxes (estimated)	1,650,000.00	
		3,316,709.08
		391,601.04
Add:		
Surplus at 1st January, 1941		5,680,006.01
		6,071,607.05
Deduct:		
Initial Contribution to Pension Fund Society		500,000.00
Earned Surplus, as per Balance Sheet		$5,571,607.05

The following items have been charged before determining the profit for the year:

Depreciation	$158,492.42
Remuneration to Executive Officers	149,749.99
Directors' Fees	8,773.24
Legal Fees	2,828.50

TO THE SHAREHOLDERS,
THE NATIONAL BREWERIES LIMITED,
MONTREAL.

We have examined the books of The National Breweries Limited, for the year ended 31st December 1941, and have obtained all the information and explanations which we have required.

In accordance with Section 114 of The Companies Act, 1934, we report that the profit of its Subsidiary Company has not been included in the accounts of The National Breweries Limited.

In our opinion, the accompanying Balance Sheet as at 31st December 1941, is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs, according to the best of our information and the explanations given to us and as shown by the books of the Company.

CREAK, CUSHING & HODGSON,
Chartered Accountants.

Montreal, 25th February, 1942.

This Week, The Financial Post asked —

Would you favor removal of some permanent government offices from crowded Ottawa to other centres? Would such decentralization promote greater efficiency?

Eric Arthur

Professor, School of Architecture, University of Toronto, and editor the Journal, official organ Royal Architectural Institute of Canada.

I believe many departments involving building and construction could be moved with advantage to larger centres where architects, anxious to help war effort, are idle.

Wartime housing is decentralized and carries out projects from coast to coast with great efficiency. Skilled architectural assistance formed in groups in large cities could relieve the load in Ottawa and produce work at total war speeds. I believe the office of controller of construction would be better near areas of greatest construction than in Ottawa.

The success of wartime housing is proof that Ottawa is unnecessary as a centre for producing wartime construction in all services.

* * *

C. A. Bowman

Editor, Ottawa Citizen.

The Citizen's view on removal of some departments from Ottawa is that no transfer of permanent departments should take place.

When process of demobilization begins Ottawa will be hard hit by a considerable loss of population now employed in inflated war departments.

If the government contemplates transferring any government staffs they should be war services and branches of war departments organized from now on.

* * *

Dr. H. L. Brittain

Citizens Research Institute of Canada, Toronto.

I cannot express an opinion of value without direct knowledge of all factors involved. At first sight it might seem advantageous to move some units dealing with such routine matters as tabulating returns. But the personnel furnishing facts that help to make decisions as to policy need to be close at hand.

If many bureaus are transferred to relieve Ottawa congestion, care must be taken not to burden other communities either with congestion or with the necessity of supplying additional services involving increased taxation. Ottawa authorities would seem best situated to decide as to decentralization. May they not already have made enquiries along this line?

* * *

Roy Brown

Editorial director, Vancouver Sun.

I strongly favor setting up subsidiary offices of the government on Pacific coast and though I'm not personally acquainted with details the same principle would apply to East coast. I feel certain that in each provincial capital there should be some enlargement of federal facilities working in conjunction with provincial officials. At the present moment in British Columbia it would be highly desirable and increase efficiency, if someone with practical authority equal to a federal cabinet minister, were in charge. Questions relating to Pacific defense and disposal of Japanese population call for closest scrutiny and the federal ministry is 3,000 miles distant.

There are continuing peacetime problems relating to lumbering, fishing and mining that arise from provincial government direction and federal government control. These ought to be under administration of federal bureaus located in areas affected.

In the long run such decentralization would reduce duplicate staffs, simplify administration and relieve the crowding of Ottawa.

* * *

Burwell R. Coon

Of Toronto, and president of the Royal Architectural Institute of Canada.

I strongly favor removal of many government offices from Ottawa.

Decentralization would promote greater efficiency in some offices and would not be detrimental in many others. It would create a wider spread support of government activities.

"Wartime Housing" is an outstanding example of an efficiently and economically operated government office 300 miles from Ottawa.

The Naval Services have proved that their architectural work can be done expeditiously and economically outside their office in Ottawa and with well-organized liaison, much of this and other work could be done elsewhere making use of the best personnel in the country, which for obvious reasons cannot or will not move to Ottawa.

* * *

Paul E. Cote

Member of House of Commons for Verdun, P.Q.

I feel that the city of Ottawa can hardly absorb any addition to her present population. I would favor establishment in the most appropriate centres of those war services which the government may develop from now on, provided they be of a temporary nature. All permanent government offices should be maintained in the capital.

* * *

Wallace J. Frazer

Mayor of Pembroke, Ont.

I cannot see any great advantage. The removal of these departments from the seat of government and the direct contact which they now have would not lend itself to greater efficiency, but rather the opposite.

I believe the administration costs would also be higher, particularly as regards travelling and telephone. The only argument in favor of such a course would be that the accommodation was absolutely needed for vital war work.

* * *

F. X. Jennings

Telegraph Journal, Saint John, N.B.

Removal of some permanent government departments from Ottawa should not impair efficiency provided suitable location of equally easy access could be found. It must be remembered, however, that other large cities are experiencing congestion similar to Ottawa on acount of defense establishments. Some of the smaller departments might be placed in small cities or towns centrally located.

* * *

Gordon B. Isnor

Member of House of Commons and prominent Halifax merchant.

From a business administrative standpoint greater efficiency is obtained by centralization of various branches of the government as at present. Particularly does this apply to branches of wartime activities. Decentralization tends toward lessening efficiency in operation. This is clearly demonstrated by large commercial firms which, while granting certain local autonomy, still maintain control at head office.

It might be feasible to set up Naval and Air Force Branches of Administration on both coasts. These would be of a semi-permanent nature but I still think the main control should come from a central point such as Ottawa.

* * *

Paul Joubert

Convention manager, Montreal Tourist and Convention Bureau Inc.

I feel that the government officials are best qualified to judge what is most efficient and I consider that some good purpose might be served by asking them to study the matter.

* * *

W. N. Keenan

Of the Department of Agriculture, Ottawa, and president of the Professional Institute of the Civil Service of Canada.

Twenty years experience in service here has convinced me of the advantage of centralization, not only of head offices of units within departments but of each department as fully as possible.

In experience with my own duties I have noted marked advantages and improved efficiency through centralization of units of this department a few years ago. Many units of this and other departments have frequent and urgent contacts with various units of other departments. In my opinion decentralization would be contrary to efficiency.

* * *

Chas. Lamb

Mayor of Lindsay, Ont.

I firmly believe administrative offices that have to do with war work should be decentralized and scattered across the Dominion so far as practicable. This would diversify employment and make Canadians more fully war conscious.

Industrial plants too should not be so confined to large centres. There are many good towns, ours included, which have idle properties which could be turned into active manufacturing plants.

England today would welcome, as a safety measure, the establishment of industry in Canada which would be operated for the production of war and other materials identical with those now produced in England.

* * *

H. P. Mark

Mayor of Smiths Falls, Ont.

Decentralization might be the answer to obtain greater efficiency in our government departments. No doubt this would be the solution if the crowded conditions were caused by an honest endeavor to do the nation's business.

The war has been the excuse for the politicians to look after the ward heelers and their friends, and that is the real reason for congestion and inefficiency in Ottawa today. The removal to other centres of permanent government departments would only leave space which would be quickly taken up by the appointment of more mediocre lawyers and business failures to government positions.

* * *

V. C. Phelan

President, Civil Service Federation of Canada.

Due to interrelation of activities of headquarters of different government departments and also to maintain necessary contacts with cabinet ministers and parliament it is desirable and necessary to concentrate headquarters of departments at the capital.

The housing congestion that results is unfortunate but I feel personal inconveniences should not stand in the way of what administrative efficiency demands.

Students of Government Tackle Post Questionnaire

George S. Mooney, co-director of the Montreal Industrial and Economic Bureau submitted The Financial Post's question to a class of students at Sir George Williams College who are studying problems of government. Their conclusions "with which I agree," Mr. Mooney states, are published herewith.

First, large scale decentralization such as would be involved and necessary in order to relieve Ottawa's present overcrowding, offers no major solution because the other possible centres where such departments could be removed to are themselves already facing acute housing shortages. Removal from Ottawa therefore would simply result in transferring the problem, not solving it.

Second, such decentralization would upset departmental routine for a lengthy period; it would slow down inter-departmental, governmental and public relationships, all contributing factors to inefficiency.

Third, wholesale removal of departments involved would uproot and seriously inconvenience established Ottawa families, to the detriment of the community as well as the persons concerned.

The class suggests an alternative solution:

First, partial decentralization of certain routine administrative branches of Price Control, War Services, and similar agencies (where members are not great and whose staffs consist, for the most part of temporary wartime personnel), to such centres as Toronto, Montreal, etc., within accessible and reasonable distance of Ottawa.

Second, partial decentralization of other special wartime agencies, whose staff is more numerous and whose presence near Ottawa is desirable, to nearby resort centres such as the Seigneury Club at Montebello, which could be taken over by the government for the duration of the war and maintained as a government auxiliary centre.

Third, a housing programme, to the extent that it is necessary, in or near Ottawa, preferably of a permanent nature, the existence of which at the close of the war, might facilitate wiping out Ottawa's slums.

London Calling

by Adelphi

LONDON.—In the first week of the war, Sir Sam Hoare said to a friend: "Pity the Ministers in power when a war begins. Sooner or later, no matter what happens, there will be a demand for a stronger direction of the war and the government will be in trouble. No Minister who begins a war is there at the finish."

Whether Sir Sam's diagnosis was completely correct is a matter of opinion but certainly a war is a ruthless maker and breaker of reputations. The trial of Daladier, Reynaud and Gamelin is a grim proof of that. Chamberlain was brought down by Norway; Russia made a clearance of the German top generals; Pearl Harbor sank the reputations of an admiral and a general, while Mussolini blew up like a punctured balloon as soon as he went to war.

* * *

Heading for Collision

Winston Churchill is a great House of Commons man, but at the present time he and the House are heading for a collision. In fact, unless one or the other changes course, we are going to witness the impact of the irresistible force and the immovable mass.

And strangely enough one of the personalities who is destined to play an important part is the modest Tory M.P. Sir J. Wardlaw-Milne. This sixty-ish Conservative has come slowly into his full political stature but many of us are wondering if he has not even more growth in his bones.

In his youth and early middle age he made a business career in India and the Far East. He knows all about Malaya and the Japs and the Chinese. In Bombay he even served on the City Council. Now with the widening scope of the war he speaks with expert local knowledge while most other M.P.'s are swotting up their Asiatic geography.

But more than that Wardlaw-Milne has been the head of the select committee on national expenditure for the last three years. In that capacity he has penetrated the secrets of departments to such a degree that he has more real knowledge of them than any Minister. He has done such good work that his reward was obvious. At any moment he would be given a peerage and disappear happily from human view.

That, however, is neither his desire nor his ambition. He has suddenly emerged as a forceful critic of the Churchill Administration. His speeches, which were once made to empty benches, now fill the House. He has dignity, forcefulness, an impressive manner, a good flow of language and he is quite fearless. The war has made him. I tip Wardlaw-Milne as a powerful factor from now on in British politics.

* * *

Sir Stafford Cripps

I cannot keep Sir Stafford Cripps out of these notes. He has become my King Charles' head. One day recently he addressed the members of both Houses. As the meeting was in Parliamentary time, Cripps nearly emptied both the Debating Chambers. He looks more robust than before he went to Russia, or, if robust is too strong a word, he looks less like the apothecary in Romeo and Juliet.

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Investors Getting a New Tax Deal

Canada and U. S. Sign 3-year Agreement on Taxation

Settlement of the much argued question of taxation by Canada and the United States of income going from either country to residents of the other is now announced.

By the agreement signed March 4 between Canada and the United States the period of competing rates of withholding tax, which started April, 1941, when Canada raised her rate of taxation from 5% to 15%, is ended. The new agreement provides for the following:

1. Interest, dividends and royalties paid by residents of one country to residents of the other are to be taxable at 15% at the source.

2. For parent companies in Canada, receiving dividends from wholly-owned subsidiaries in the United States, the U. S. tax at the source is to be 5%. Canada does not tax such dividends.

3. The new rates apply as from Jan. 1, 1941; automatic refunds for overdeductions are to be made.

4. Canadians may settle U. S. claims for "capital gains" tax on trading profits in securites or commodities by payment of 5% at the source on net income from such securities.

First Agreement in 1936

Canada and the United States first negotiated what was called a "reciprocal tax convention" in 1936. By the terms of this agreement, each country agreed to tax at the source interest and dividend payments made to residents of the other at the minimum rate of 5%. This agreement apparently worked to the general satisfaction until last April when Finance Minister Ilsley raised the Canadian rate to 15%.

He then ran into difficulty from two sources. In this country, there were loud charges from the provinces that they were the victims of discrimination by reason of the provision of the April, 1941, tax that exempted Dominion bond interest but taxed interest on provincial bonds. This was altered to give an acceptable compromise.

More serious was the fact that the 1941 action ended 1936's nice agreement and started the U. S. by successive steps to raise rates, first to 16½% and finally to 27½%. Fortunately, the U. S. tax law which imposed the 27½% rate included a clause permitting agreements with countries on this continent for reciprocal rates. Negotiations started some months ago under the clause and have now resulted in the recently announced agreement.

Helps Investors

For investors, the new agreement is of importance for more than one reason. In the first place it means that dividends, or interest, received on U. S. stocks will be taxed at the source at 15% instead of 27½%. Moreover, refunds of overdeduction since Jan. 1, 1941, are to be made, without necessity of Canadians making application therefor, through the medium of the corporation and institutions which initially made the deductions. Overdeduction in this case means any deduction at the source at rates in excess of 15% for individual and 5% for wholly-owned subsidiaries of Canadian companies.

The new rates will apply to the wide range of U. S. securities held by Canadians. It will apply to such largely Canadian-owned companies as Fanny Farmer Candy Shops, Loblaw Groceterias Inc. or Pressed Metals of America.

Under normal stock market conditions, it could be expected that moderately higher prices would result in Canada for such stocks but normal reactions to good news is too much to expect at present.

Corporations Aided

There are a number of important Canadian companies which have wholly-owned subsidiaries in the United States. Most important of these, and probably also the ones to be most affected by the change, might be Moore Corp., Hiram Walker - Gooderham & Worts, Distillers Corp.-Seagrams and International Metal Industries. In the case of those mentioned, dividends paid by U. S. subsidiaries to the Canadian parent company normally account for the major portion of the net income reported. For these companies it means a return to the 1936 basis.

Other companies where the effect will be important, but less so relatively than in the examples cited, would be British American Oil Co. and Massey-Harris Co.

Canadian investors should remember that they can offset such U. S. taxes paid against their Canadian income taxes up to the corresponding rate. That is, if a Canadian taxpayer's rate of taxation is 20%, then he could offset his U. S. tax against taxes due on the same income to Canadian taxgatherers up to the full amount. But if his Canadian tax rate on this income would be only 10% then he could only offset a corresponding amount.

Effective 3 Years

The new agreement is to remain effective for at least three years from Jan. 1, 1941. It can be terminated by either party on six months' notice after the three year term has expired. If such notice is given, then the agreement terminates on the Jan. 1 following expiration of this notice. After the three year period has expired, however, either country is free to change 15% rate without notice and without affecting other parts of the agreement.

Canada does not at present tax dividends paid by wholly-owned subsidiaries in Canada of U. S. companies to their parent concerns. The United States applies the 5% rate to such dividends. Canada is free, however, to tax these dividends at a rate not higher than 5%.

There are many large Canadian companies which are wholly-owned subsidiaries of U. S. companies and are at present free from any withholding tax. Examples would include General Motors of Canada, Chrysler Corp. of Canada, Anaconda American Brass, Ontario Paper Co., Swift Canadian Co., and dozens of others.

For most Canadian investors, the new tax deal is important, especially for holders of stocks such as Fanny Farmer, Loblaw, Pressed Metals, Moore Corp., Hiram Walker, Distillers, B. A. Oil, Massey-Harris and others.

Capital Gains Taxes

The new agreement covers more ground than the 1936 convention. It settles the question of U. S. capital gains tax as it might apply to Canadians who realize capital profits in the United States. Capital gains derived by Canadian residents from sources within the United States are not to be subject to this U. S. tax.

In cases where the U. S. has actually made claims for capital gains tax from Canadian residents, settlement can be obtained by applying to the Commissioner of Internal Revenue, Washington, within two years of March 4, 1942, and by paying 5% on the dividend and interest yield received during the period the securities in question were held.

The new agreement also eliminates all cases where "certain extra-territorial" features of U. S. revenue laws hit Canadian companies receiving 50% or more of their income from sources within the U. S. These U. S. tax features affected payment of dividends to Canadian residents and accumulation of undistributed capital.

Charitable organizations are exempt from taxation at the source by either country. To qualify for this exemption, such organizations have to be classed as charitable organizations by the laws of both countries, read together.

Individual Status Clarified

Status for taxation purposes of numerous classes of individuals is also clarified. Government employees whose duties require them to reside in the other country are to be subject to taxation by the country, or political subdivision, which employs them. On the other hand, recipients of pensions are to be taxed according to the country in which they reside and not according to the country where the pension arises.

Each country is to refrain from taxing any person from the other country, so far as compensation for labor or personal services is concerned if the person: (a) remains for a period, or periods, not exceeding 183 days and receives $5,000 or less during his stay; or (b) remains for a period, or periods, not exceeding 90 days and receives $1,500 or less in the aggregate during his stay.

While this exempts persons in industrial activities, it does not grant exemption to professional earnings such as those received by actors, artists, musicians and professional athletes who are taxable in the country where they exercise their skill.

Income derived from the operation of ships or aircraft is to be taxed in the country of registration. Students, or business apprentices are not to be taxed by the country in which they are studying on income sent for their maintenance from the other country.

There is provision for exchange of information as to dividends, interest, royalties, rents or other periodic payments passing from one country to the other. Machinery for consultation is provided in case either country should desire information as to any particular taxpayer's activities in the other country.

Then there is provision for equality of treatment. This means citizens of the United States residing in Canada are not to be discriminated against by more burdensome taxation than imposed upon Canadians within this country. The same thing applies to Canadians residing in the United States.

NEW INSPECTOR

Frank G. Chandler has recently been appointed Ontario inspector by the Pearl Insurance Co. Ltd., for the Pearl group of companies. Mr. Chandler's insurance experience dates back to 1917, with the Norwich Union. Since 1920 he has been with the Liverpool, London & Globe Insurance Co.

Trends IN INVESTMENT

Canadian stock markets should get more professional attention now that the Victory Loan has been brought to a triumphant conclusion. For the past six weeks the investment communities have been concentrating on selling Victory Bonds. Their success in this may stimulate them to do a little selling on behalf of the stock market now that they can return to their regular business. Perhaps it is too much to expect this to generate a good stock market but there should be a greater effort made and more thought given in coming weeks.

* * *

Yield on U. S. stocks improves for Canadians now that stability has been reached on withholding taxes. The new 15% rate is triple the old 5% rate but this is probably not a greater proportionate increase in taxes than has been felt all down the line since the war started. The three-year agreement brings a stability to the question of taxes on U. S. investments which has been sadly lacking since last April.

For the individual, however, it is probable that the net improvement in yield is less than might be thought at first because of the opportunities Canadians have had to offset U. S. withholding taxes against their own Canadian taxes. There was a lot of talk following the boost in the U. S. rate to 27½% of the lessening attraction of U. S. securities for Canadians but this has been pretty well answered now.

* * *

Business figures need regular study by investors. This week new items on retail sales, railway operations, flour production and electric power output indicate the pace of Canadian industry. Beginning to show up are indications of the shift from peace to war production, a question that has concerned investors for many months past and that is going to become increasingly evident as time goes.

* * *

Price movements lately have not given any clear indication that the bottom has been seen for the latest decline. Generally, investors are probably justified in keeping to the sidelines until some more clear basis for an optimistic outlook on the war developments can be noted. We are going through a bad time. One result has been that time-honored relationship between stock and bond prices has been knocked far out of line.

With not the slightest sign that business activity will not continue at high levels and support a reasonable earnings level, a real reason for prevailing depression in stock markets must be attributed to timidity on the part of large investors without whom a strong forward movement is very difficult to develop. These men are not buying stocks and it follows that such liquidation as goes on takes longer to absorb and its effect on prices is more severe. Once more it must be emphasized that patience far beyond normal is required of investors in wartime.

* * *

Canadian pulp and paper demand will continue at a high level for the duration of the war, states the Royal Bank of Canada. Present prosperity, however, is likely to be transitory and the bank's letter states that the industry, as long as the war lasts, will be "living on borrowed time." Regarding the future, it is stated that return of peace will undoubtedly involve painful readjustments. Under these circumstances full advantage must be taken of the current improvement in operations to strengthen and consolidate the position of the industry. Plants and equipment must be improved and modernized; debts of long-standing retired; working capital built up and adequate reserves accumulated against future contingencies.

Company Reports

Borden Co.

Borden Co. reports gain in net sales of 19.5% in 1941 to $259.1 millions. Net profits on the common were equivalent to $1.88 a share against $1.72 for 1940.

In Canada the company paid a total of $14.7 millions to farmers for purchase of dairy products to its 2,571 Canadian employees and for taxes. The company has 1,339 Canadian shareholders.

Improvement in sales is ascribed by T. G. Montague, president, to general acceleration of business activity, increased sales of new products, to somewhat higher prices and to direct participation in the defense effort.

Consol. Income and Surplus Account Years Ended Dec. 31

	1941 $	1940 $
Net sales	259,128,515	216,795,851
Less: Cost of sales	247,779,620	208,217,320
Oper. profit	11,348,895	8,578,531
Add: Other income	464,604	486,420
Less: Taxes	3,491,695	1,434,614
Non-essent. props.	51,232	47,720
Net profit	8,270,572	7,582,617
Less: Dividends	6,148,316	6,155,386
Surplus for year	2,122,256	1,427,231
Add: Prev. surplus	19,248,568	17,821,337
Earned surp. fwd.	21,370,825	19,248,568
Earned per share	$1.88	$1.72
Paid	1.40	1.40
Shs. o/s. $15 par	4,396,704	4,396,704
Working Capital	$	$
Current assets	71,595,776	55,250,495
Current liabilities	20,902,425	15,208,348
Working capital	50,693,351	40,042,147

Seal-O-Sac (Canada)

Seal-O-Sac (Canada) reports highest volume of sales and operating profits to date for 1941. Net profit of $1,819 compares with a net loss of $6,942 for 1940.

Regarding the current year, Ewart R. Angus, president, points to restrictions on use of crude rubber and pliofilm as a threat. Experiments with substitute materials during the year gives reason to believe pouches can be produced commercially from materials not under wartime restrictions. Increased market in the United States is reported.

Income and Surplus Account Years Ended Dec. 31

	1941 $	1940 $
Operating profit	16,149	4,787
Add: Other income	......	349
Less: Directors' fees	1,137	935
Executive salaries	4,280	4,632
Patent expenses	1,487	401
Experimental exp.	353	747
Taxes	1,208	218
Depreciation	3,041	1,523
Patent amort.	2,824	2,824
Net profit	1,819	*6,942
Less: Prev. deficit	7,802	860
Deficit forward	5,983	7,802

*Loss.

Working Capital

	$	$
Current assets	26,137	32,110
Current liabilities	5,374	13,943
Working capital	20,763	18,167

Great Lakes Power

Increase of revenue for electric energy and other services of approximately $154,900 over 1940 for Great Lakes Power Co. was general in character and was stimulated by war activities. Principal increases came from Chromium Mining & Smelting, Abitibi Power & Paper and the City of Sault Ste. Marie.

Sales of electric energy in 1941 totalled 363,812,943 kilowatt hours, compared with 313,948,184 kw.h. in 1940.

No common dividends were paid during the year, such amounts as could have been paid being withheld and used for capital expenditures. As a result no special financing was necessary to provide for construction requirements.

In 1941 the company completed construction of a second generating unit with a capacity of 12,000 horsepower at its Upper Falls plant on the Montreal River. Because of increased demands for power, orders were placed with manufacturers in June, 1941, for an additional unit at the Lower Falls plant which is expected to increase capacity by a further 10,000 horsepower.

Consol. Income and Surplus Account Years Ended Dec. 31

	1941 $	1940 $
Operating revenues:		
Electric	1,215,152	1,058,932
Hydraulic	62,854	62,854
Ferry	64,455	59,179
Railway	50,923	55,559
	1,393,384	1,236,524
Less: Operating costs	296,335	250,905
Maintenance	49,124	50,863
Depreciation	254,996	238,469
Income taxes	77,966	90,896
E. P. taxes	99,117	47,413
Other taxes	49,152	54,626
Add: Other income	4,186	3,873
Gross income	570,879	507,225
Less: Bond int., amort.	298,202	301,612
Net profit	272,677	205,612
Less: Pfd. dividends	52,500	52,500
Com. dividends	......	60,000
Surplus for year	220,177	93,112
Add: Prev. surplus	1,806,652	1,713,540
Less: Loss on plant	51,420	......
Surplus forward	1,975,409	1,806,652
Earned per Share:		
Preference	$36.35	$30.54
Paid	7.00	7.00
Common	7.33	5.89
Paid	...	2.00
Times Bond Interest Earned:		
Before depreciation	2.98	2.66
After depreciation	2.06	1.90

Working Capital

	1941 $	1940 $
Current assets	238,554	328,274
Current liabilities	485,808	397,625
Excess of curr. liabs. over curr. assets	247,254	69,351

Moore Corp.

All subsidiary companies of Moore Corp. are concentrating their efforts increasingly on manufacture of products required for war and essential civilian use, states the directors' report signed by S. J. Moore, chairman, and E. G. Baker, president. Multiple copy forms are necessary in the control and speedy handling of most kinds of business operations. They are being furnished in growing volume to the armed forces, government agencies, industry, transportation and other services. Kidder Press Co., the company's machinery building unit at Dover, N.H., is soon to be almost completely on war production.

Throughout 1941 all units of the company operated at record levels and, as a result, combined shipments and operating earnings show substantial gains. Taxes are almost three times their 1940 amount, however, and the company has set aside $450,000 from this year's earnings to provide for possible shrinkages and changes in the after-war transition to peacetime economy. In addition to this sum, $100,000 received as premium on U.S. funds transferred to Canada has been added to this reserve, making it a total of $550,000.

After these deductions, the company reports $3.75 a share earned on its common against $3.72 a share for 1940.

Last year, 1,121 shares of Class A preference and 350 shares of class B preference were converted to 6,584 common shares.

Consol. Income and Surplus Account Years Ended Dec. 31

	1941 $	1940 $
Net earnings	5,485,059	3,309,218
Less: Depreciation	659,440	633,647
Income & E. P. taxes	2,576,000	888,700
Postwar adj. prov.	450,000	......
Net profit	1,799,619	1,786,871
Less: Pref. divds.	215,390	239,864
Common divds.	1,214,320	980,359
Surplus for year	369,909	566,648
Add: Prev. surplus	4,282,927	3,716,279
Surplus forward	4,652,836	4,282,927
Earned per share:		
A & B preferred	$59.44	$56.29
Paid	7.00	7.00
Common	3.75	3.72
Paid	2.88½	2.40
Shares o/s:		
A preferred, $100 par	25,910	27,031
B preferred, $100 par	4,365	4,715
Common, n.p.v.	422,640	416,056

Working Capital

	$	$
Current assets	13,692,455	10,481,881
Current liabilities	5,315,824	2,775,093
Working capital	8,376,631	7,706,788

Balance Sheet Changes

	$	$
Cash	4,093,176	4,133,337
Govt. bonds	......	327,800
Receivables	4,629,975	2,783,700
Inventories	4,969,305	3,237,044
Fixed assets	12,703,151	12,063,386
Less: Depreciation	7,459,081	7,051,660
Payables	1,939,924	1,206,273
Tax reserve	2,807,342	1,055,841

Western Savings

Western Savings and Loan Association, Winnipeg, reports total assets at Dec. 31, 1941, of $3,520,759 against certificate liabilities of $2,866,759, an excess of assets of $654,000. During the year assets expanded by $475,209.

After provision for all interest, dividends and taxes there was an increase in capital, surplus and reserves of $42,517. Payments to investors for 1941 of over $485,000 brought the total returned to approximately $3 millions. During the year the Association subscribed to $550,000 of the First Victory Loan, while subscription to the current Second Victory Loan totalled $200,000.

The Association at Dec. 31, 1941, shows cash on deposit at $302,415. Government bonds and other securities being legal investments of the Association, now total over $2.5 millions while loans on terminating certificates amount to $59,328 and first mortgage loans to $593,758.

As at Dec. 31, 1941, the Association had on deposit with Governmentally approved custodians $3,187,345 of approved securities.

Orange Crush

Orange Crush Ltd. reports a net loss of $5,242 for the year ended Oct. 31, 1941. This year the company has consolidated in its balance sheet for the first time two subsidiaries, Orange Crush (Eastern) and Orange Crush (B.C.). The latest report is, therefore, not comparable with previous reports but in 1940 the parent company alone reported net profit of $41,016.

E. P. Taylor, president, tells shareholders that improvement expected at the time the 1940 report was issued failed to materialize. A serious setback was suffered when a special excise tax of 25% was imposed last May on the wholesale selling price of soft drinks while many other competitive articles in the refreshment field were left free from any special war taxation burden. This tax was added to the unit selling price of the company's product but it meant a selling price of six cents with competitive articles still selling at five cents. Sales declined drastically, bringing difficult operating conditions when coupled with higher costs. More capital had to be provided and after the close of the company's year, $100,000 of 5% serial first mortgage bonds were sold. Mr. Taylor admits that curtailment of consumer goods is inevitable in wartime but maintains this curtailment was not done fairly in the case of this industry.

As a result of the larger consolidation this year, total assets are increased from $571,799 at Oct. 31, 1940, to $748,162 a year later. Fixed assets are now shown at $462,632 before depreciation of $71,425.

Consol. Income and Surplus Account Year Ended Oct. 31

	1941 $
Operating profit	43,119
Add: Other income	1,793
Net earnings	44,912
Less: Depreciation	34,419
Interest and exchange	12,383
Bad debts prov.	3,227
Income tax	124
Net loss	5,242
Add: Previous surplus	79,457
Surplus forward	74,215

Working Capital

	1941 $
Current assets	130,879
Current liabilities	211,260
Excess current liabilities	80,381

Thomas Lipton

Thomas J. Lipton Inc. reports consolidated net profit for 1941 of $175,516 as compared with $108,712 for 1940. This is equivalent to $3.38 a share on the 52,000 6% preferred shares for 1941 and $2.09 on the same stock for 1940. On the class A, of which 200,000 shares are outstanding, the 1941 net amounts to 49 cents a share compared with 15 cents a share in 1940. No dividends were paid last year on the class A shares.

The company, which operates a subsidiary in Canada, reports 14% increase in tea sales last year. Although inventories have been kept at a high level since the war started, says R. B. Smallwood, president, the situation has become more critical since the United States entered the war, and it is possible that imports eventually will not be sufficient to supply the American trade.

The company's dried soup subsidiary, Continental Foods, Inc., made "gratifying progress during the past year." Sales have grown as rapidly as production facilities permit. Further expansion is planned for this year. The company's inventories amounted to $4.3 millions at Dec. 31, 1941, in contrast with $2.6 millions a year earlier. It reports current assets of $5.1 millions and current liabilities of $3.5 millions.

McColl Adds To Operations

New Montreal-Portland Pipe Line Will Provide Larger Part of Supply

From Our Own Correspondent

MONTREAL.—Crude oil purchases by McColl-Frontenac Oil Co. for its refineries in 1941 totalled 6,674,390 bbls., as against 5,508,501 bbls. the year before. Purchases from the company's own Trinidad subsidiary were 160,853 bbls.

Both the Montreal and Toronto refineries, according to J. M. Pritchard, president, operated at a higher rate during 1941 and additional equipment was installed in both units to improve operations and reduce costs.

Dealing with the vital matter of transportation, the president stated the company had released to the British service one of the four Norwegian flag tankers under time charter. The remaining tankers were able to maintain supplies, assisted by lake tankers. However, Mr. Pritchard pointed out completion of the Portland-Montreal pipe line in December prevented a serious crude oil shortage in Montreal. For the coming year the company plans to obtain a large part of its crude oil supply for the Montreal refinery via this pipe line, thus reducing ocean tanker requirements.

In his report on the Trinidad operation, the president pointed out 14 shallow wells were drilled in 1941 on the Brighton leases of the wholly-owned subsidiary, Antilles Petroleum (Trinidad) Ltd., in an effort to maintain production at the 1940 level. Actual output was 209,163 bbls. against 238,840 bbls. in 1940.

McColl's subsidiary, Frontenac Pipeline Co., purchased and transported through its gathering system, 865,041 bbls of East Texas crude oil, compared with 960,332 bbls. during the previous 12 months.

Exploration and development work continues to be carried out by the company in Alberta in its efforts to develop additional producing areas.

Building Products Outlook Favorable

From Our Own Correspondent

MONTREAL.—Building Products Ltd. outlook is favorable, according to statement at the annual meeting.

While construction figures as a whole have shown a reduction, it is pointed out good demand continues for lower cost housing, particularly in industrial centres busy on war work. Repairs and remodelling of existing buildings are also continuing at a good rate. It is in these fields the products of the company find their greatest use.

Shareholders were told the supply of raw materials entering into the manufacture of the company's products has not yet been seriously affected by priorities or shortage, but costs are somewhat higher, chiefly due to the cost-of-living bonus and to increased costs of certain raw materials.

Market Opinions

Continued caution and recommended reservation of cash for contingencies is noted in U. S. stock market comments this week.

Barron's, N. Y. (The Trader)—Good news is still ignored, as witness the set-back in railroad shares following a freight rate increase of 6%. Not the slightest sign of accumulation of stocks appears . . . It is fair to assume that the market is close to a sold-out condition. On only three occasions have stocks sold as low in the past seven years. Yet at no time in that period have stocks yielded so much more than bonds. Under such circumstances, the odds in favor of the buyer of stocks are steadily lengthening.

* * *

Magazine of Wall Street, N. Y.—At best, we think that the odds are for no more than a small rally in the averages over the near term. Partial liquidity should be maintained and we advise against additional equity purchases at this time.

Financial World, N. Y.—There is little on the horizon to suggest that the general market is on the verge of a sustained upward trend, although it may develop that a base is currently being made from which a reversal of direction will later on get under way. Any such movement would be accelerated by clarification of the tax uncertainties, some measure of solution of the labor troubles, and an improvement in the character of the war news. These are the more important barriers to progress, and until there are signs of their lifting, investors will do well to continue a policy of caution in new purchases made primarily in hope of capital appreciation.

Victory Loan Buyers

Canadian business has once again stepped solidly behind the nation's war financing. Companies which pattern a cross-section of Canada's whole economic life have poured millions of dollars out of their treasuries to take up the new Victory Loan. The following list reported by the National War Finance Committee is for those companies whose subscriptions have been from $500,000 upward and which have allowed that fact to be released for publication. Some companies request no publication.

	$
Metropolitan Life Ins. Co.	20,000,000
Mutual Life Assce. Co.	15,000,000
Sun Life Assurance Co.	15,000,000
London Life Ins. Co.	12,000,000
Canada Life Assurace Co.	11,000,000
C.P.R. and Employees' Pension Fund	10,000,000
Great-West Life Assce. Co.	10,000,000
International Nickel	10,000,000
Prudential Life Assurance Co. of America	10,000,000
Unemployment Ins. Co.	10,000,000
Manufacturers Life Ins.	7,500,000
Noranda Mines and associated companies	6,500,000
The New York Life Insurance Co	5,500,000
Triangular deal involving purchase by U. S. firm of pre-war Dominion bonds.	
Confederation Life Assoc.	5,000,000
Imperial Oil Ltd.	5,000,000
North American Life Assurance Co.	5,000,000
Prov. of British Columbia	5,000,000
The Travellers' Ins. Co.	5,000,000
Imperial Life Assur. Co.	4,000,000
Dom. Life Assurance Co.	3,500,000
T. Eaton Co.	3,500,000
Ford Motor Co. of Canada	3,500,000
General Motors ($1,000,000 contributed by McKinnon Industries, Ltd.)	3,500,000
Abitibi Power and Paper	3,000,000
Consolidated Min. Smelt.	3,000,000
Ontario Paper Company	3,000,000
Mutual Life Ins. Co. of New York	2,540,000
Canadian National Rlwys.	2,531,000
American Can Co.	2,500,000
Canadian Industries Ltd.	2,500,000
Dom. Textile Co. Ltd.	2,500,000
Montreal L. H. & P. Consl.	2,500,000
Steel Company of Canada	2,500,000
Canada Cement Co.	2,000,000
Canada Packers Ltd.	2,000,000
Canadn Gen. Electric Co.	2,000,000
Canadn. Intern'l Paper Co.	2,000,000
Crown Life Insurance Co.	2,000,000
McIntyre Porcupine Mines	2,000,000
Ont. Hydro-Elect. Power	2,000,000
Shawinigan Water, Power	2,000,000
Swift Canadian Co.	2,000,000
Bell Telephone Co. of Can.	1,500,000
Bronfman interests and B. Aaron	1,500,000
Can. Car & Foundry Co.	1,500,000
Consol. Paper Corp.	1,500,000
Falconbridge Nickel Mines	1,500,000
Imperial Tobacco Co.	1,500,000
Intl. Harvester Co. of Can.	1,500,000
Massey-Harris Co.	1,500,000
North American Cyanamid Ltd.	1,500,000
Toronto Hydro-Electric	1,500,000
City of Toronto Sink. Fd	1,500,000
Canadian Cottons Ltd.	1,250,000
Dom. Steel & Coal Corp.	1,250,000
McColl-Frontenac Oil Co.	1,250,000
Page-Hersey Tubes, Ltd.	1,250,000
Robt. Simpson Co.	1,250,000
Toronto Gen. Trusts Corp.	1,250,000
Prov. of Manitoba (various provincial funds)	1,219,000
Shevlin Organization of Ontario and British Columbia	1,113,700
Alta. Govt. (Trust Funds)	1,000,000
Alta. Workmen's Comp. Bd	1,000,000
Britannia Min. & Smelt.	1,000,000
British Columbia Tel. Co.	1,000,000
B. C. Sugar Refining Co.	1,000,000
Can. Permanent Mortgage Corp.	1,000,000
Canadian Celanese	1,000,000
Canadian Kodak Co. Ltd.	1,000,000
Chrysler Corp. of Canada	1,000,000
Dome Mines Ltd.	1,000,000
Dom. Bridge Co.	1,000,000
Dom. Fndrs & Steel Ltd.	1,000,000
Dom. Oilcloth & Linoleum	1,000,000
Dom. Tar & Chemical Co.	1,000,000
Equitable Life Ass. Soc.	1,000,000
Excelsior Life Ins. Co.	1,000,000
Famous Players Canadian Corp. and subsidiaries	1,000,000
Hollinger Consolidated	1,000,000
Howard Smith Paper Mills	1,000,000
Hudson's Bay Co.	1,000,000
Lake Shore Mines	1,000,000
Lever Bros.	1,000,000
Montreal City and District Savings Bank	1,000,000
Moore Corpn. Ltd.	1,000,000
National Harbors Board	1,000,000
Province of Nova Scotia	1,000,000
Ogilvie Flour Mills Co. (allocated proportionately to each province)	1,000,000
Powell River Co.	1,000,000
Province of Quebec Sinking Fund	1,000,000
Royal Trust Co.	1,000,000
Shell Oil Co. of Canada	1,000,000
Wright-Hargreaves Mines	1,000,000
Monarch Life Assur. Co.	800,000
Ontario & Minnesota Pulp & Paper Co.	800,000
Family of the late Hon. Lorne C. Webster	800,000
Aetna Life Ins. Co.	750,000
Candn. Order of Foresters	750,000
Fraser Companies Ltd.	750,000
Great Lakes Paper Co.	750,000
Huron & Erie Mort. Corp.	750,000
National Breweries Ltd.	750,000
The N. A. Timmins Corp.	750,000
United Corporations Ltd.	750,000
Waterloo Trust and Savings Co.	750,000
City of Winnipeg, Greater Winnipeg Water District Sinking Fund Trustees and Civic Pension Fund	750,000
F. W. Woolworth & Co.	750,000
Br. Col. Workmen's Compensation Board	700,000
Bank of Montreal's Pension Fund Society	600,000
Building Products Ltd.	600,000
Lamaque Mining Co. Ltd.	600,000
City of London, Ont.	600,000
Investors' Syndicate Minn.	550,000
Acadia Sugar Refining Co. Ltd.	500,000
Anaconda American Brass	500,000
Asbestos Corp. Ltd.	500,000
Henry Birks & Sons et al.	500,000
Borden Co.	500,000
Bralorne Mines Ltd.	500,000
Brotherhood of Railway Trainmen insurance fd	500,000
Canada Wire & Cable Co.	500,000
Candn. Fairbanks-Morse	500,000
Canadian Western Lumber Co. and Subsidiaries	500,000
Can. Bank of Commerce Pension Fund	500,000
Can. Johns-Manville Co.	500,000
Can. Steamship Lines	500,000
Credit Fonc. Franco-Can.	500,000
Distillers Corporation-Seagrams Ltd.	500,000
Dom. Engineering Works	500,000
Economical Mutual Fire Ins. Co.	500,000
Empire Life Insurance Co.	500,000
Lake of the Woods Milling Co.	500,000
H. R. MacMillan Export	500,000
Montreal Cottons Ltd.	500,000
Montreal Life Ins. Co.	500,000
Montreal Tramways Co.	500,000
Natl. Life Assce. Co. Can.	500,000
Northern Life Assurance Co.	500,000
Pacific Mills Ltd.	500,000
Price Brothers & Co.	500,000
W. T. Rawleigh Co.	500,000
Robin Hood Mills, Ltd.	500,000
Salada Tea Co.	500,000
Teck-Hughes Gold	500,000
Toronto Trans. Commis.	480,000
Waterloo Mutual Fire Ins. Co.	500,000
City of Windsor	500,000
Winnipeg Electric Co.	500,000
Zellers Ltd.	500,000

Significant Investors' Index Numbers

	Mach. and equip.	Pulp and paper	Milling	Oils	Textiles and clothing	Food and allied prod.	Beverages	Bldg. mater.	Power and traction	Banks	Total utilities	Total co's.
No. of Securities	8	7	3	4	10	12	7	15	15	8	19	95
(Base 1935-39=100)												
1929-41:*												
High	345.7	564.5	322.3	212.5	168.2	123.2	163.1	202.1	297.5	160.9	329.3	180.5
Low	68.5	49.8	63.4	46.5	76.0	76.9	67.0	71.2	60.3	84.6	65.2	63.9
1942: Monthly Figures:												
Jan.	74.3	71.9	74.5	45.9	112.8	88.7	99.2	75.1	64.4	91.1	70.4	66.8
1942: Weekly Figures:												
Feb. 5	75.0	72.8	69.3	44.8	110.0	88.0	97.3	74.5	64.4	91.5	70.3	66.6
Feb. 12	74.6	69.4	68.5	44.4	109.4	87.5	96.6	73.4	62.6	91.2	68.1	65.3
Feb. 19	72.5	67.8	70.6	42.8	108.2	84.2	94.9	73.5	60.2	91.1	65.5	63.4
Feb. 26	71.3	67.2	70.3	42.2	107.2	82.3	96.4	74.1	61.1	90.6	67.0	63.5
Mar. 5	70.6	66.7	72.9	41.7	106.4	81.5	95.1	74.7	61.5	90.3	67.6	63.5

*High and low for years from 1929 to 1941 inclusive are based on weekly figures issued by Dominion Bureau of Statistics. For 1929 to 1938 inclusive the base is 1926=100; for 1939 and subsequent years the base is 1935-39=100.

Toronto Stock Exchange Index

	20 Indust.	20 Golds	10 B.M.	15 W.O.
Mar. 10	83.60	70.52	64.18	17.08
Mar. 9	83.41	71.04	64.27	17.06
Mar. 7	83.96	71.39	64.38	17.21
Mar. 6	84.01	71.17	64.44	17.23
Mar. 5	84.59	72.25	65.47	17.36
Mar. 4	84.72	72.87	65.45	17.39
Month ago	89.10	77.58	68.73	18.39
Year ago	92.39	99.56	63.04	19.07
High 1942	93.50	83.71	71.01	18.86
Low 1942	83.41	70.04	64.18	17.06

Montreal Stock Exchange Averages

	10 Util	20 Ind.	30 Chd.	10 Pprs.	15 Golds
Mar. 10	41.4	57.0	51.7	65.27	42.91
Mar. 9	41.3	57.2	51.9	65.34	42.91
Mar. 7	41.0	57.2	51.8	66.00	44.53
Mar. 6	41.2	57.3	51.9	66.11	44.53
Mar. 5	41.2	57.4	52.0	66.20	44.77
Mar. 4	41.2	57.5	52.1	66.72	44.85
Month ago	41.9	58.6	53.0	73.00	52.29
Year ago	48.5	56.3	53.7	66.56	76.08
High 1942	43.6	60.5	54.7	77.18	54.82
Low 1942	40.3	56.8	51.3	65.27	42.91

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A PROVINCIAL PAPER

How High is Canada's Debt Going?

New Study Shows Make-up of $6 Billion Burden

With public interest in the debt situation of Canada continuing to grow the Dominion Bureau of Statistics has made a brief analysis of the public debt of the Dominion, provinces and the combined municipal governments in Canada.

At March 31, 1941, this analysis shows net direct debt of the Dominion Government at $3,649 millions and the guaranteed or indirect debt at $1,314 millions. While those are the latest figures to be given in this analysis the approximate total may be brought up to date by noting that in 1941 the Dominion borrowed $1,210 millions while there were maturities of some $690 millions, a net increase in debt of around $520 millions. The current Victory Loan campaign brought in around $1 billion of which some $150 millions represented conversions, or a net debt increase of approximately $850 millions. These additions will bring total Dominion debt at the present time to around $6,332 millions.

At Mar. 31, 1939, the Dominion's net direct debt amounted to $3,152 millions and indirect debt $1,379 millions. A year later the direct debt was $3,271 millions and the indirect $1,355 millions.

The figure for net direct debt is arrived at by deducting from the gross liabilities the active assets as follows: cash; special deposits; sinking funds; Bank of Canada capital stock investment; loans and advances to Canadian Broadcasting Corp., Canadian Farm Loan Board, including Canadian Fisheries Loan Act, Canadian National Railway Co., Canadian National (West Indies) Steamships Ltd., Canadian Pacific Railway, Dominion and National Housing Acts, Foreign Governments, Municipal Improvements Assistance Act, National Harbors Board, New Westminster Harbor Commission,, Provinces for Post War Housing Loans, Unemployment Relief Loans, Alberta Subsidy Overpayment, and Soldiers and General Land Settlement; Province Debt Accounts; unamortized discount and commission on loans; and miscellaneous current accounts including Canadian Government Railways Working Account, advances to Royal Canadian Mint, etc.

Where Payable

Break-down of the total funded debt and treasury bills outstanding as at Mar. 31 for the various years shows in 1939 a total of $2,510 millions payable in Canada compared with $2,905 millions in 1940 and $3,728 millions in 1941. Total payable in London in 1939 was $406 millions, this figure dropping to $322 millions in 1940 and further to $175 millions in 1941. Total payable in New York was unchanged during the three-year period at $469 millions.

Analysis of outstanding Dominion direct funded debt as to amounts payable under each rate of interest looks like this:

Rate	1939	1940	1941
		Millions of $	
Under 1%	155	155	230
1%	85	45	250
1¼%	20	20	20
1½%	80	175	345
2%	171	391	456
2¼%	30	30	30
2½%	129	121	121
3%	450	374	747
3¼%	293	543	543
3½%	275	191	138
4%	492	445	351
4½%	817	817	742
5%	389	389	389
Not stated*	..	..	9
Total	3,386	3,696	4,372

*Consists of non-interest bearing certificates and war savings stamps.

Provincial Debt

Debt positions of the various provinces are broken down in a similar manner as at their fiscal years ending in 1940.

In 1939 total bonded or debenture debt of the provinces was $1,602 millions, reduced through sinking funds to a net of $1,457 millions. In 1940 the total was $1,715 millions, reduced through sinking funds to $1,561 millions. Addition of treasury bills brought total net funded debt in 1939 to $1,732 millions and in 1940 to $1,825 millions. Addition of other direct liabilities less assets available or realizable brought total net direct liabilities in 1939 to $1,362 millions and in 1940 to $1,439 millions. Total indirect or guaranteed liabilities in 1939 were $287 millions and $251 millions in 1940.

Compensating Factors

A considerable portion of the bonded debt of the provinces, it should be noted, has been incurred by the investment in or loans to public utilities, boards and commissions, which are of a revenue-producing character and which reimburse the province by annual interest payments on the money so invested.

Some of the larger provincial investments of this type include $13.6 millions Nova Scotia advances to Power Commission; $9.2 millions New Brunswick investment in Power Commission; $31.1 millions in Quebec Farm Credit Board loan; $10.1 millions in Quebec toll bridges; $145 millions in Ontario Hydro-Electric Power Commission; $30.2 millions in Ontario T. & N. O. Railway; $40.6 millions in Ontario Agricultural Development Board; $19.2 millions Manitoba Govt. telephone system; $11 millions Saskatchewan Telephone; $16 millions Saskatchewan Farm Loan Board; $15.7 millions Alberta Government Telephone, and many others.

Provinces issue debentures for the construction of highways and roads which, while they produce no direct revenue, encourage tourist traffic and stimulate industrial life. The Canadian provinces have highway debentures outstanding in the amount of $732.5 millions, of which Ontario accounts for $326.4 millions and Quebec $138.5 millions.

Municipal Totals

At the end of 1939 all Canadian municipalities had a gross bonded or debenture debt outstanding of $1,281 millions which sinking funds brought down to $1,009 millions. Addition of other liabilities brought total direct liabilities to a total of $1,485 millions. It should be pointed out that since that compilation a good many municipalities in Canada have materially reduced their debt and that figures giving the picture as of today probably would be a good deal less than those shown for 1939.

For the Dominion as a whole the total net direct debt arrived at by adding Dominion and provincial figures for 1940 with those of the municipalities for 1939 amounts to $6,195 millions as compared with $5,968 millions for the previous year.

The direct or guaranteed debt of the Dominion and provinces added to these bring the aggregate net debt of Canada to $7,801 millions in 1940 as compared with $7,634 millions in 1939.

C.P.R. Places Big Orders For Air Line and Railway

From Our Own Correspondent

MONTREAL.—Heavy equipment orders have been placed by the Canadian Pacific Railway to meet wartime requirements, according to a statement issued by Sir Edward Beatty, chairman and president.

Among contracts placed was one for 37 fast freight and passenger locomotives, an all-purpose engine. The first 10 of these have been assigned to the West and delivery will begin immediately. Three more of this type will be completed next December.

In addition to these, 20 Mikado type heavy freight engines have been ordered for delivery next year.

More Rolling Stock

Box cars are being manufactured in large numbers. Already 500 have been completed and assigned to service on western lines, together with 250 freight hopper cars. Another 250 of the latter class have also been assigned to Canada.

Automobile cars for the transport of military vehicles by rail, to the number of 150, are to be delivered shortly, together with such miscellaneous items as first class passenger coaches, refrigerator cars and other special purpose cars.

Contracts for 754 box cars, of 40 and 50 ton capacity, are also under negotiation, and it is expected work will shortly be undertaken on this contract.

In conection with the company's air line operations, Sir Edward Beatty announced that three Boeing twin-engine passenger and freight airplanes are being added immediately to the fleet of approximately 90 aircraft now operated in western and northern Canada. One of these has already been delivered to the Edmonton division.

With considerable expansion of air routes in northwestern Ontario, Northern Manitoba, on the Prairies and in the coastal, sub-Arctic and Arctic regions now in contemplation, Sir Edward said, several additional orders for aircraft will be placed shortly. This supply would be dependent largely upon conditions made somewhat unpredictable by the war, but he pointed out many of the company's aircraft would be engaged in military freighting on the northwest defense route and that some priority in this respect might be expected.

All new equipment, Sir Edward stated, would be required under transport conditions which had not yet reached their peak in Canada, but which would necessitate steadily increasing efforts upon the facilities of the nation's rail and air lines.

Bond MARKETS

Ontario's tax deal with the Dominion again appears to be reaching the final stages. Attorney-General Conant and a staff of experts are in Ottawa this week ironing out the details, argument over which brought adjournment of the Ontario Legislature with Premier Hepburn claiming he was unable to bring down his budget without more definite assurances from Ottawa. Since that time Hon. J. L. Ilsley has announced that legislation authorizing the agreement will be introduced in the Dominion Parliament. This has apparently satisfied the Ontario leaders and conversations have been renewed.

A new tax along the lines of a levy on turnover or sales has been rumored as being in the offing for Ontario. Premier Hepburn, however, some weeks ago promised that there would be no new taxes for Ontario and circles close to the province's financial affairs tell The Financial Post that they have not heard of any move afoot to institute such a tax.

Algoma Central & Hudson Bay Railway 5% bonds were a feature of the bond market this week, advancing some four points to 15¾ bid. So far as the basic status of these bonds are concerned there has been no change since the deal approved in connection with Algoma Central Terminals last December. Bond dealers who have been handling some of the heaviest buying in these bonds say it is apparently based on anticipation of the annual report which is expected to appear in June. Loadings on the system are understood to have shown material improvement due to war demands, a condition which should show up in the earnings statement.

With the Victory Loan out of the way discussion is being heard in connection with the actual stability of some subscriptions from the longer-term point of view. There are those who believe that some fair-sized subscriptions are made with a view not to holding the bonds but of selling them a few months later and accepting the loss. This is sometimes done in a spirit of patriotism to "underwrite" the loan and ensure its going well over the top.

This type of underwriting subscription is not viewed in a particularly favorable light by the loan officials, as naturally the idea of the whole campaign is to place bonds where they will stick, with the purchasing money representing either accumulated savings or current earnings where buying is on the installment plan. One more favorable angle is that these underwriting subscriptions help to lengthen the life of marketing the loan and thereby make its digestion somewhat easier. That this time allowance to find new buyers has had some measure of success in the past can be gauged by the fact that the amount of bonds that have had to be absorbed from these underwriting subscribers to support the loan has been quite light. Ultimately the most valuable subscriptions are those that are made by people who get the money by doing without certain things. This means a saving of labor and material and channels this labor and material into direct war use.

Retail Merchandiser AND Store Manager Available

Thoroughly experienced man with a successful record wishes to make a voluntary change where ability to build sales and profits along sound principles is required. Middle aged and knows the requirements for a successful operation based on practical experience. Buying, selling, promotion, managerial control along with centralized chain store experience. Now successfully employed in responsible position but wishes to connect with concern where ability along these lines will be rewarded. Salary not so important as compensation for results produced. Replies strictly confidential.

Box 248, The Financial Post, Toronto, Ont.

NOTICE

Holders of Bearer Bonds of
K. & S. TIRE & RUBBER GOODS LIMITED
and Preferred stock of
SEIBERLING RUBBER COMPANY OF CANADA LIMITED
are requested to forward same to the Chartered Trust & Executor Co., 34 King St. W., Toronto, in order that exchange be made with Common stock of
SEIBERLING RUBBER COMPANY OF CANADA LIMITED.

Seiberling Rubber Co. of Canada Ltd.

Toronto, March 5, 1942.

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Price Controls Affect Dom. Stores Earnings

Price control made effective Dec. 1 last has brought "new difficulties seriously affecting the company's business," states J. William Horsey, president of Dominion Stores in presenting the 1941 annual report. He adds that ultimate effect on the retail food business and "particularly on the net results in your company" cannot be determined yet.

He pledges the company's co-operation in the price ceiling regulations but points out that "the problems in our type of business are most serious and it will require all the experience and ingenuity available to operate successfully under present conditions."

Per Unit Sales Up

Last year, Dominion Stores reported total sales of $21 millions, higher than in any year since 1932 when sales totalled $23 millions. In 1941, however, the company had 281 stores in operation compared with 541 at the end of 1932, a decline of 260 stores, almost half, in the nine-year period. The tendency has been steadily toward larger, and fewer units, with average sales per store last year gaining 31.32%, more than twice the total increase in sales of 16.07%.

The company had 70 self-service units in operation at the end of 1941 and 211 service units. It opened 18 new stores in 1941 and closed 61. The modernization programme was continued until restrictions due to the war made it necessary to postpone the company's plans.

Mr. Horsey states the company eliminated a handicap to economical operation of its Montreal facilities by building a new warehouse in that city and disposing of the old one. Lack of trackage facilities and warehouse storage in Toronto is still a hindrance.

He maintains that percentage of operating expenses to sales decreased materially last year in spite of the tendency toward higher wages and costs generally. Expenses include all the cost of opening and closing stores.

Regarding personnel, Mr. Horsey says the company was "able to institute further improvements in working conditions for our employees in shorter hours, vacation allowances and increased wages within the limits of the National War Labor Board regulations." Group insurance has been extended to include all regular employees.

A "director of grower relations" has been appointed. His responsibility is to study growers' problems in production and distribution.

Biggest Individual Subscription

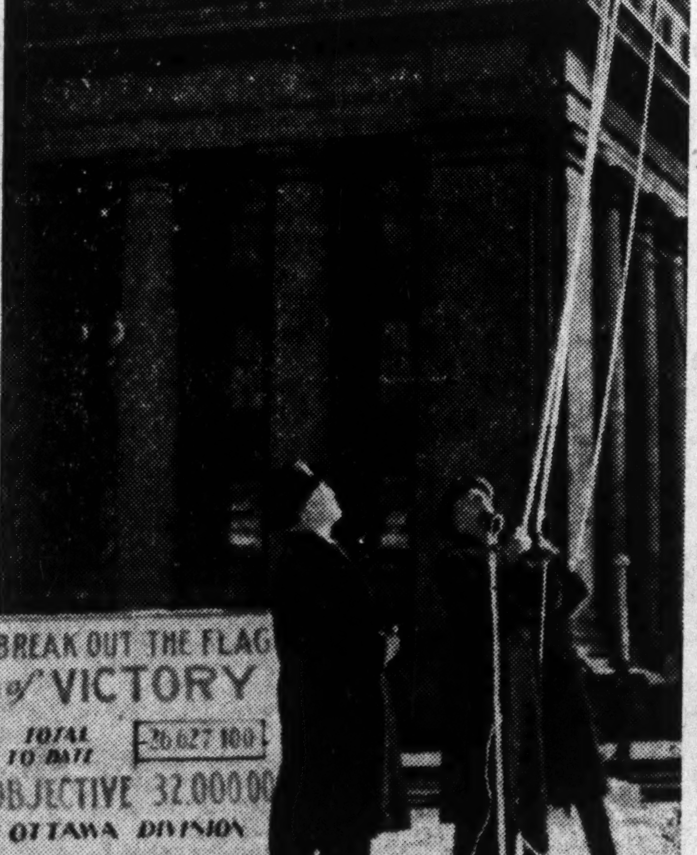

Photo shows E. C. McDonald, vice-president in charge of Canadian head office for the Metropolitan Life Insurance Co. raising the Victory Loan flag at Ottawa when his company's $20 millions subscription was announced. This was the largest individual company subscription in Canada.

Investment Notes

Western Grocers Ltd. has declared an extra dividend of $2 a share on its common stock, payable, along with the regular 75-cent quarterly dividend, on April 15, 1942, to shareholders of record March 20. A year ago the company paid an extra of $1 a share.

• • •

Monarch Knitting Co. has declared a $7 dividend on the 7% preferred stock payable March 26 to shareholders of record March 12. This leaves dividend arrears unchanged at $57.91 2/3.

• • •

Massey-Harris Co. expects to have its new common and preferred shares available for distribution around April 10. Supplementary letters patent have been received and other details are about cleaned up. It is expected that a letter will go out to shareholders giving particulars with the annual report which should be ready in a few days.

• • •

International Nickel shares were purchased to the amount of 3,400 in the last quarter of 1941 by State Street Investment Corp., large U. S. investment trust. The trust held 16,000 shares of Nickel at the end of 1941.

• • •

Minneapolis, St. Paul and Sault Ste. Marie Railway operated by C.P.R. shows sharp improvement in operating results. January operating revenue was up from $2,166,290, to $2,907,788. Net income advanced from $41,053 to $209,007. At the request of trustees of the company, the Federal Court of Minneapolis postponed to March 20 hearing of petition of first mortgage bondholders group seeking immediate interest payment.

• • •

Montreal Loan and Mortgage shareholders were told by the president that mortgage interest was better paid in 1941 than the previous year. Many doubtful mortgages were cleaned up and put into a healthy condition he said at the annual meeting. It was also pointed out the outlook for new mortgage loans was not good and will probably get worse as new building receded.

• • •

Standard Paving & Materials has cancelled certificates covering 1,420 preferred shares leaving preferred stock outstanding at 50,000 shares, according to a statement given to the Toronto Stock Exchange by the Chartered Trust & Executor Co. The company issued 62,420 new preferred shares in its 1939 reorganization and has thus cancelled 2,420 shares since then. As this stock carries a 6½ cents a share cumulative dividend, plus a similar non-cumulative dividend and further participations, the company's fixed dividend requirements have thus been reduced by $1,512 annually.

• • •

Dominion Bridge Co. is erecting a single-story factory section at its Toronto plant to cost $85,000. The new structure will furnish more than three quarters of an acre of floor area, according to the Toronto Industrial Commission.

• • •

Brewers & Distillers of Vancouver has notified the Toronto Stock Exchange that net profit for 1941 was $388,388. This compares with $375,068 in the previous year and is equivalent to 67 cents a share against 65 cents in 1940. An extra dividend of 10c. a share has been declared, in addition to the annual payment of 50c. a share, both payable May 20, 1942, to shareholders of record April 30. Payment is subject to the approval of the Foreign Exchange Control Board.

Net Capital Imports $33 Millions in 1941

Canada obtained a net import of capital of $33 millions in 1941 as a result of sales and purchases of securities with other countries. The total trade was smaller, but the inflow of capital larger, than in 1940. There were net sales in each month of 1941 and these were heaviest in the period from September to November.

Trade in Securities
(Millions of Dollars

	Sales to	Purchases from	Net
1933	288.7	237.7	+51.0
1934	321.2	312.3	+8.9
1935	301.8	250.8	+51.0
1936	422.5	414.7	+7.8
1937	506.6	511.4	—4.8
1938	369.2	340.3	+28.9
1939	311.0	238.9	+72.1
1940	123.9	95.1	+28.8
1941	108.3	75.3	+33.0

But 94% of the volume of trading and most of the movement of capital was between Canada and the United States. Net sales of securities to the United States amounted to $36.3 millions with sales of Canadian bonds $18.9 millions of this total. Dominion issues and Dominion guarantees were in particular demand, with provincial, municipal and corporation issues also sold on balance while unguaranteed railway issues were re-purchased.

In Canadian stocks trading was mostly offsetting while sales of United States stocks amounted to $14.3 millions on balance. There were also sales in United States Government and corporation bonds.

It is pointed out that substantial sales of outstanding Dominion Government obligations to United States insurance companies in June last year are in addition to the figures reported.

How the report of the sales and purchases to Canada and other countries rank is shown by the following table:

Net Sales (+) or Purchases (—)
(Millions of Dollars)

	1941	1940
United Kingdom	—3.1	—2.6
United States	+36.3	+30.4
Other countries	—0.2	+1.0
Total	+33.0	+28.8

Official repatriation of securities held in the United Kingdom and sales under vesting orders are not reflected in these statistics. Outside of this, net re-purchases of securities from the United Kingdom amount to $3.1 millions.

A point to remember is that operations of the Foreign Exchange Control Board greatly restrict the freedom with which Canadians can buy and sell securities to or from residents of other countries. The Exchange Board's policy prevents export of capital from Canada and encourages the sale of securities by Canadians which will realize a net balance of foreign exchange for Canada. This particularly applies to transactions with the United States.

By classifications of securities, last year's trade shows the following break-down:

By Security Classes
(Millions of Dollars)
1941

	Sales	Purch.	Net
Candn. Securities:			
Bonds	55.3	37.8	+17.5
Stocks	14.4	16.2	—1.8
Total Canadian	70.0	54.4	+15.6
U. S. Securities:			
Bonds	7.8	5.2	+2.6
Stocks	23.4	9.2	+14.2
Total U. S.	31.3	14.4	+16.9
Other	7.0	6.5	+0.5
Total	108.3	75.3	+33.0

December figures, included in the above net total showed a somewhat smaller volume than immediately preceding month, although following the same general trend. Total sales in December amounted to $10.6 millions and purchases $8.3 millions, leaving a balance of $2.3 millions as net inflow of capital. Practically all of this was realized in trade with the United States.

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BURT BUSINESS FORMS LIMITED
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MOORE CORPORATION LIMITED
Toronto, Canada
Buy War Savings Certificates

Dominion Coal Co. has brought into production a new unit—No. 25 Colliery—at Gardiner, near Glace Bay. This brings the number of the company's Cape Breton mines to 11.

Initial production at the new mine is 100 tons daily. It is expected to turn out 750 tons daily when it hits full production.

Development work on No. 25 Colliery has been under way for a year. It is planned to replace No. 10 at Reserve, which is almost worked out.

Abitibi Doubles Net Earnings

January Figures This Year Up 114.62% — February Also Higher

Earnings of Abitibi Power & Paper Co. in January this year were more than double those of the same month in 1941, but slightly under earnings reported for Dec., 1941. Before allowing for depreciation, interest of $275,361 or income taxes, the company earned $1,023,703 in the first month of 1942. This compares with $476,993 for January last year, or a gain of 114.62%. January earnings this year include $205,601 received as premium on U. S. funds.

Newsprint and bleached sulphite pulp shipments for the first two months of this year compare with last year as follows:

Newsprint Shipments
(Short Tons)

	1942	1941
January	49.100	26,141
February	38,265	28,421
	87,365	54,562

Bleached Sulphite Pulp
(Short Tons)

	1942	1941
January	8,776	5,454
February	8,400	6,401
	17,176	11,855

Company Leaders

ANDREW J. ELDER, C.L.U.
President
Big Producers Club

NORMAN R. RICHARDSON.
Vice-President
Big Producers Club

The honor of ranking first and second in the Big Producers Club of this Company for the past Club year has been won by Andrew J. Elder and Norman R. Richardson, both of the King Street agency (John A. Robarts, Manager) with offices in the Bank of Commerce Building.

This record is unique and the Company takes pleasure in paying a well-deserved tribute to these men for their outstanding achievement.

The LONDON LIFE INSURANCE COMPANY
HEAD OFFICE LONDON, CANADA.

Custom-made Reports To Help Solve Business Problems...

...let The Financial Post's specialized research staff help you when new problems arise.

Your business, no doubt, has many new problems to face as a result of the war; problems for which there is no precedent and which prompt you to ask: "Where can we get the facts we need?"

If the answer is to be found in research into business conditions or in the financial record of Canadian companies, we can help you.

The Financial Post organization has been able to give profitable assistance to a number of companies in recent months. For example, one sought an extensive survey of corporation earnings — a survey which no other organization was so well equipped to furnish.

You and your executives may now be studying some situation the solution of which could be aided by a specialized study.

Why not write us? If we can help, we shall be glad to offer you a plan. All work is done on a basis of a fee which is based on the time required. An estimate can be given in advance.

Special Investigation Department
THE FINANCIAL POST
481 UNIVERSITY AVE., TORONTO... DOMINION SQUARE BLDG., MONTREAL

The Editorial Page . .

The Truth Won't Hurt Us

There have been justified complaints of overly optimistic war headlines in certain Canadian and American daily newspapers. Undoubtedly the public morale has suffered and will continue to suffer unless prompt steps are taken to correct this situation. The average Canadian reader is not as gullible and immature as some of these headline writers seem to imagine.

Sooner or later the public must face the truth and when it does it will be better prepared for the long, hard and bitter war ahead of us. There is absolutely nothing to be gained by continually minimizing our losses, by trying to arouse a belief that there is a short cut to victory.

The other day we were told that a great naval victory had been scored in the waters around Java. The public went to bed confident that Java was saved and that the Japs were in retreat. Next day the same papers which had headlined the naval victory, reported in smaller type, that the Japs had landed and were cutting the island in two. They were also told that the Japs, not the Allies had air control.

A glance at the map and the most casual appraisal of the position would have indicated that the situation in Java was desperate the moment the key point of Singapore fell. Indeed with a little more reasoning it was apparent that the whole Far East situation was gravely imperilled once the facts about Pearl Harbor had been digested.

Without immediate and strong fleet protection Singapore was well-nigh helpless and after it had been captured then Java, Sumatra and the rest of the East Indies represented merely follow-through operations for the Japanese. There was nothing to be gained by raising the hopes that the enemy would stop after taking the key. It would have been much better to have adopted the realistic course of preparing the public for the inevitable sequels.

Believers of groundlessly optimistic dispatches and headlines are not going to co-operate readily in any scheme to conserve scarce and vital materials like rubber, gasoline, sugar, tin and fats. They are bound to have difficulty in realizing the need of an immediate and total war effort. They are more than likely to lapse into a state of complacency, which by long odds is the gravest of the many dangers the United Nations are facing at this critical time.

That Billion Dollar "Gift"

It is evident that not many people in Canada understand the billion dollar "gift" that this country has undertaken to make to Britain during the coming year.

There have been very critical editorials particularly in Quebec newspapers. There have been objections raised in the House of Commons. A recent Canadian Gallup poll showed only 52% of the people approving, while many had no opinions.

The simple facts are that to March 31, 1943, Canada will have supplied to Britain food and munitions of war to an amount of $2,500 millions in excess of what Britain will have been able to pay for in cash. In that period Canada will have received payment of $1,500 millions in the form of securities—our own or Britain's. The balance we are going to furnish without charge.

Now, it is true that British people still own perhaps $1,200 millions of Canadian investments of one kind and another. We could still say to Britain "come across; give us those securities." But, wisely, the government has decided not to say that. There are good reasons for this "generosity," if it is generosity, to Britain.

One reason is that the securities that Britain still owns are not things that could be turned into cash under war conditions.

A second reason is that Britain has been defending Canada in the British Isles, on the seven seas and in many lands. Our contribution to Britain does not begin to measure the value of Britain's contribution to us in this war.

A third reason is that Canada can hardly afford to be less generous than the United States, whose Lease-Lend programme provides, in effect, large contributions to Britain to help her in her defense of the world.

A fourth and very important reason is that Britain is, in peacetime, the best market of our food producers. If we bleed Britain dry of her investments here, if we leave her impoverished and insolvent, she will prove to be a mighty poor customer for us in the post-war years.

Perhaps it will be argued that an extra billion wouldn't break Britain. But other creditors are pressing Britain. If Canada sets a good example, others will follow.

We talk of the billion dollar gift to Britain as "aid" to Britain. Throughout the war it is Britain that has been aiding us; aiding us by keeping the sea-lanes open; aiding us by standing firm and keeping the Germans from attack upon North America.

We could, of course, refuse to ship to Britain any munitions, food or equipment that she could not pay for in cash.

That would mean a billion dollars less taxes and borrowing in Canada; and a billion dollars less income for our workers and farmers.

It would also mean—without doubt—the difference between Britain's ability to stand up to Germany and not to stand up to Germany. It would be a simple way to insure that we would have to take on the Germans alone, with Britain no longer available to stand at our side.

We aren't giving Britain anything. We're just helping her to do a job for us.

The Financial Post's Platform For War

1. *Effective mobilization of all resources, materials, productive capacity and man power, without reservation, for an all-out war effort.*
2. *A national cabinet, representative of all loyal groups, and consisting of Canada's ablest brains.*
3. *An inner war cabinet, free from departmental duties, to plan the nation's war effort and to see that the plans are carried out.*
4. *A non-political industrial executive to organize and direct procurement of war supply.*
5. *Pay-as-we-go policy, to the very limit consistent with an all-out war effort, to avert inflation.*
6. *Elimination of wasteful spending by public bodies or private individuals.*
7. *A national programme to deal with post-war employment and relief problems.*

Going to Learn Economies

War restrictions are going to teach industry and business many economies, and the experience should be of benefit in the post-war years to come. Canadian economy should be toughened, shorn of frills, fat and gadgets and ready for the gigantic task of readjustment from war to peace.

For various reasons a lot of expensive habits have crept into modern business and industry. Consumers have been pampered, encouraged to expect extras as a sacred right. Senseless and unbridled competition have forced several industries to absurd lengths, often perilously close to general bankruptcy.

Multiplicity of styles and colors have forced retailers to carry literally hundreds of lines where formerly a score or two would be sufficient. In many cases bread wagons go blocks to deliver a single ten cent loaf of bread, half a dozen different milk trucks clutter the same street. Consumers think nothing about 'phoning for a packet of cigarettes or a bottle of ginger ale, and are indignant if it is not at their door in a few minutes. At one time, every housewife who prided herself on her ability always had a week's supply of food on hand; today few of them buy more than a meal ahead.

In the leaner months rushing down on us, many luxuries of extravagance are going to disappear. We simply haven't time for them and the war job too. In some cases this disappearance will mean confusion and genuine sacrifice. But this is by no means true of all. Industry and business will welcome the opportunity of a housecleaning long overdue.

Gasoline Rationing

Providing the new gasoline rationing policy is administered equitably, Canadians will take the restrictions without grumbling. If it is necessary they will give up driving entirely for the duration of the war. But they demand equal treatment and Oil Controller Cottrelle's main job between now and April 1 is to ensure that they get it.

It is general knowledge that there have been some preposterous claims made for special consideration in rationing treatment. People who could easily take the train, street car or walk, have applied for preferred categories. Apparently they are not interested at all in the vital necessity of conserving gasoline for the war effort, but only in trying to get as much as possible for themselves. It was this type of citizen that paved the way for the easy German conquest of France, and if the Nazis or Japs get within sight of our own shores, the same selfish fifth columnists will be largely responsible.

With some sacrifice 90% of the million and a half car drivers in Canada could get along with a standard gas ration. If they do this, all will go smoothly and perhaps it will not be necessary to cut down supplies still further as the war proceeds. But if the authorities are careless and a substantial number of people get larger rations than they need or deserve, then there is certain to be sharp resentment and onerous and expensive policing will be necessary instead of voluntary and enthusiastic co-operation in all of our rationing machinery.

Men are risking their lives to bring gasoline to Canada. They are not doing this for the benefit of joy-riders, but so that we can carry on the war. The chief objective of the authorities must be the elimination of purely pleasure driving. The use of a motor car now is only justified when it increases efficiency in essential business.

A Job Well Done

If a Canadian air crew distinguishes itself in a raid on Bremen tonight, Canadian papers tomorrow or next day will carry the details. Names of the new heroes are mentioned daily and also something of their previous record.

This makes excellent publicity for the Canadian war effort, is an excellent tonic for the morale not only of the R.C.A.F., but for the Canadian people generally. It creates a vitally needed interest among potential air crews in the nation. The same plan is followed with the Canadian Navy, and when the Canadian soldiers get into action, undoubtedly the people at home will hear of their exploits too.

This policy of individual publicity for members of the fighting forces has not been followed by the British government and some observers in Britain think it is a serious omission.

The public expects and demands heroes in wartime. It may not be able to understand grand strategy, it never has been able to work up much enthusiasm for heroes enmasse. But when the public reads that Sgt. Bob Jones flew his plane under a high tension wire to drop his bombs down the smoke stack of a Nazi munitions plant, the thrill and danger of the individual flight is felt by millions of Canadians.

A hush-hush attitude may easily lead to a lowering of public morale, to the opinion that the other fellow is doing all the fighting, that its own forces for some reason or other are inferior. Until the British government was forced to revise a part of its silent policy a few weeks ago, the Germans were able to foster the entirely erroneous impression that the Dominion troops and the British Allies were doing most of the fighting, were able to add color to the old lie that Britain was ready to fight to last man supplied by somebody else.

Britain was forced to do something about this malicious propaganda and with statistics of casualties suffered on the various war fronts, did prove that soldiers of the United Kingdom were playing a full sized part. But truth seldom catches up to a well-spread lie and serious damage was done to public opinion in the United States, the Dominions and elsewhere. The Canadian policy of letting the public have its war heroes is a better one.

Editorials in Brief

Question of the month: Will Donald Gordon regard the flow of sap from Canada's maples as a leak in our sugar rationing policy?

* * *

Details of Oliva Dionne's motor car and mileage were released and published last week. The life of Ontario's quintuplets is about as private as that of a goldfish or a movie star but there seems little excuse for satisfying idle curiosity regarding what should be a confidential report furnished by the father. Never in history has the government demanded such intimate information from the private citizen. In return he has a right to expect that it will be regarded as confidential.

* * *

The Chicago Tribune gets almost apoplectic when it writes about lack of preparedness in the United States. It would hang everybody because they did not see what was just around the corner for Uncle Sam.

The Tribune is the same paper that warned the American people that this was just another "European" war; that Britain was as bad as Germany; that the struggle was one of rival imperialisms and the United States had better stay out; that the North American continent was perfectly safe; and that President Roosevelt was an excited old alarmist.

—Cartoon by Grassick

ALL CHANGE

Post-Scripts . . . . .

Host Hanson

There is no more gracious host on Parliament Hill than the Hon. Richard Hanson, leader of the Opposition. Last week he entertained the Press Gallery in the Magpie Room of the Parliament Buildings—a room well suited to the urbane dignity of the host.

The Magpie Room is called Room 16. It is just across the hall from the Commons Chamber. Originally it was intended as a smoking room to which members would adjourn for relaxation after doughty battles in the Chamber. To this end the architect edged the cornice of the vaulted ceiling with scores of animated magpies, chattering busily one to another. Apparently the other room has never been used for its intended purpose but is kept for banquets and other important functions.

HON. R. B. HANSON

There was no formality about Mr. Hanson's hospitality; a few words by representative newsmen; some anecdotes by Conservative members, with the occasional well-turned jibe at the reigning Liberal regime. And through it all Mr. Hanson reiterated repeatedly some thoughts which his intimates know have been dear to his heart in these last few years—the dignity of Parliament and the ghastly seriousness of our present plight.

"The war is the only thing that matters," he kept repeating. "Think on these things," he admonished as discussion ranged about the relative competence of Parliament and newspapermen today and in the past.

Few men have been more eager to improve the tone of parliamentary debate than Mr. Hanson. Few men are so eager to see Canada put forth the last ounce of strength in the present struggle. He will be remembered for having done his best to hold the fort at a time when the party to which he holds allegiance seem to be close to the point of surrender.

* * *

All Round Miner

Tall, good-natured Robert Alexander Bryce is the new president-elect of Canada's largest body of mining men—the Canadian Institute of Mining and Metallurgy. He succeeds Professor W. G. McBride of McGill University.

The fact that "Bob" Bryce was selected unanimously for his important new post reflects the fact that he was considered to be an ideal man for the job. A mining engineer, he knows mining men and mining problems.

Ever since the outbreak of war Mr. Bryce has been interesting himself in what the mining industry can do to help the war effort, having served as a member of the National Labor Supply Council.

In the prolonged struggle of mining managements against the C. I. O. in Kirkland Lake, too, Mr. Bryce played a key part in fighting C. I. O. recognition. As one mining man expressed it to The Financial Post, election of Bob Bryce as president of the C. I. M. M. may be taken as the unanimous expression of the mining industry that the C. I. O. is not wanted in Canada's metal mining industry.

Mr. Bryce is best known as president and managing director of Macassa Mines, one of the Kirkland Lake's largest and most well-established gold mines. Development of Macassa was largely a result of Mr. Bryce's ore sense—and a persistence that would not be denied. In the days when Kirkland Lake was still in its early youth Bryce decided that the place to look for further mines at Kirkland Lake was on the line of strike past developed mines. He backed up his judgment by taking not one but two properties—one at each end of the camp.

Success didn't come easy. One property never did develop into a mine. But the second—Macassa Mines—more than justified early expectations. With the success Macassa has enjoyed, many managements might have been satisfied to sit back and drop the search for other properties. But Bob Bryce felt that mining profits should be used at least in part to find new mines. This search has been rewarded and in Renabil Mines, in the Sudbury area, Mr. Bryce hopes the company has an important new producer in the making.

Mr. Bryce isn't just a mining man although mining is his primary interest. A graduate of the University of Toronto in mining in the class of '04, Mr. Bryce is now a member of the board of governors of that institution. He is also on the board of the Toronto Conservatory of Music.

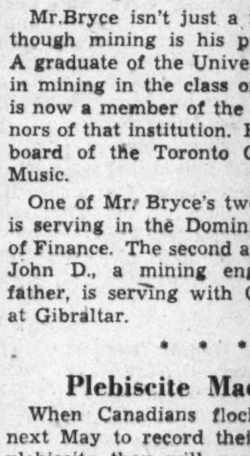
One of Mr. Bryce's two sons, Robt. B. is serving in the Dominion Department of Finance. The second and younger son, John D., a mining engineer like his father, is serving with Canadian forces at Gibraltar.

* * *

Plebiscite Machinery

When Canadians flock to the polls next May to record their views on the plebiscite they will use the well-oiled machinery in charge of bilingual Jules Castonguay, Canada's Chief Electoral Officer.

Mr. Castonguay has held this office since 1927 following the retirement of Col. O. M. Biggar, K.C. But he has been a civil servant for 24 years having entered the service in 1908 as assistant in the office of the Clerk of the Crown in Chancery. When that office was abolished in 1920 he was appointed assistant chief electoral officer.



J. CASTONGUAY

His experience with election machinery goes back through the last war and it is this experience with the election acts of 1915 and 1917 which will prove of immense value in recording the views of Canadian soldiers serving overseas. In 1917 it took four months to secure and count ballots cast by overseas men. In 1940 it took seven days. Mr. Castonguay believes that with present methods, using commissioned officers as deputy returning officers the votes of a million men could be counted and tabulated within a week.

"In the last war," he told a newsman recently, "we had nothing to guide us. We had to feel our way in framing regulations. Now we are able to avoid pitfalls and close any possible loopholes. In 1917 one polling booth had 244 ballot boxes and the voter had to go round and find the right one to drop his ballot in."

Normally Mr. Castonguay has a very small permanent staff which mushrooms overnight when an election (or in this case a plebiscite) looms. His returning officers are chosen in each riding and are appointed through patronage, not on Mr. Castonguay's recommendation. He appoints his own staff, however, and has the right to fire and hire them according to his needs. He ranks in the public service as a Deputy Minister, holds office on the same tenure as a judge of the Supreme Court and communicates directly with the Governor-in-Council through the Secretary of State. Says A. R. Sykes in the Ottawa Journal:

His post calls for an extraordinary measure of impartiality, tact, and diplomacy. Outside of politics, he stands, in the very centre of the most heated political battles. His decision in cases of complaints and counter-complaints is final, and his rulings have been noted for fairness and common sense."

Mr. Castonguay was born on his father's farm in Vaudreuil, P.Q. He worked in Montreal as a youth and spent a few years in Montana and British Columbia before returning to his native village. He came to Ottawa at the age of 26 as a junior clerk in the civil service. His chief hobbies are gardening and bridge.

* * *

Daughter Takes Over

When Joseph Errington, colorful Canadian mining magnate, passed on several weeks ago, the public wondered who would direct his far-flung "mining empire" extending all the way across Canada from the North West Territories to Ontario and down as far as South America. That a man with the foresight—and hindsight—of Joseph Errington would have arranged a successor was not questioned.

Announcement that Mr. Errington's own daughter, Mrs. Arthur Ellis, national commandant of office administration of the Red Cross, had taken over her father's directorship on Little Long Lac Gold Mines came as a surprise at first. No woman in Canada had previously occupied so important mining directorships. Doubts were expressed in some quarters that a woman could know enough about mining to serve a useful purpose on a board of directors. But these people didn't know Mrs. Arthur Ellis. For Mrs. Ellis is the unusual type of woman who knows the difference between a stub crosscut and an inclined winze, who, in fact, has perhaps a better technical training in mining than many full-time mining engineers. Mrs. Ellis has grown up in the atmosphere of mining, knows "all the angles."

Born in a mining camp, a graduate in mining from the University of California, Mrs. Ellis has visited mines all the way from northern Canada to Mexico, paddled canoes in Canada's northland and covered treacherous mountain trails on horseback. While her Red Cross job has been occupying her full attention, Mrs. Ellis plans to devote half her future time to her big mining job. Two of Mrs. Ellis's sons, Joe and Bill, spend their summers at Grandad's Little Long Lac mine, while Philip, aged two, has joined his brothers in expressing a determination to be a miner. Mr. Errington didn't have a son but it looks as if the Errington mining tradition is here to stay anyway.

* * *

Stop Me If . . .

"Now, you men," roared the sergeant-major as he dismissed the company, "you will parade again at two o'clock precisely. And when I says two o'clock precisely, I don't mean five past. I mean five to."

* * *

Impractical
North Sydney Herald

The Financial Post shows that dividend payments in January show a decline of approximately a million dollars in Canada over January a year ago. Interest payments have dropped more than five million dollars in the same period.

In general it would appear that the impractical proposal of holding retail prices down to one level and forcing the employers to pay higher wages cannot but contribute to this condition of affairs.

Other People's Views . . . .

The Canadian Editorial of the Week

The War Is Here
Ottawa Journal

This war no longer is something remote and impersonal. It is a war which already has reached our coasts and easily may come up our rivers and cross our mountains to our war industries and our great cities. We in Ottawa may hear the roar of enemy bombers and the whine of shells. The war is here, HERE and not somewhere else. The Germans, the Japanese and the Italians are bent on our destruction, our enslavement, and the capture of our country. U-boats in packs range the Atlantic, and in the Pacific one by one our distant defenses go down. That is the situation today.

While all this has been happening our House of Commons spent a month in a dull and repetitious debate on the Address in Reply to the Speech from the Throne, argues now about the plebiscite through which the people are invited to relieve the Government of its anti-conscription pledge. Parliament shows little sign that it understands the urgency of the situation—if it did, this session would be nearing its end. One wonders if the people, who make and unmake governments, can be greater than their servants.

* * *

As Others See Us

We Must Sacrifice
Yorkton Enterprise

Leadership and guidance is our first great need. It is not yet too late for the Dominion government to formulate and present to the Canadian people a full plan for intelligent sacrifice to win. In this dark hour surely we can look with confidence to our government to lead and guide us, to tell us what we must give up and how our services can best be utilized.

Discussing this phase of the problem in its last issue The Financial Post points out only the government can take steps to divert labor, materials and industrial facilities from the non-essential to the war-important. Long ago such steps were taken in Germany, in Russia and Great Britain. Before Canada can go all-out for war further steps must be taken here. Mr. King's government has made a good, if ruthless, start in automotive, rubber and some other industries. We have made substantial headway in reorienting our agriculture. But we still have far to go before our economy is geared all-out to war.

* * *

Unnecessary Leak
Vernon News

Of all the host of wartime regulations introduced by the Dominion government, the one that has undoubtedly received by far the most general measure of public support, and even commendation, is the price ceiling setup.

But there is another side to the price ceiling situation which must cause a very real measure of disquietude. This is in regard to subsidies paid on certain commodities in order that these commodities may be retailed under the fixed values prevailing during the basic period of last autumn.

An instance was given at the recent Fruit Growers' convention where it was stated that grapefruit juice imported from the United States is being subsidized from the treasury of this country.

The Financial Post in a recent issue reported that rice, of which only comparatively small quantities are used in Canada, will have to be underwritten to the tune of a cool $2,000,000.

Is rice such an essential commodity that this amount of the people's money must be spent? Surely we could get along if not entirely without rice, then with a good deal less than the amount formerly consumed.

It might even be a good thing if we were forced to do without a number of commodities rather than pay out money to get them, over and above their normal pre-war costs. Would our war effort be one bit less effective if we had to go without grapefruit juice in the mornings and rice puddings in the evening?

* * *

Restrictions
New Glasgow News

A questionnaire submitted to representative retailers, wholesalers and manufacturers by The Financial Post on how costs of distribution can best be cut gives us the impression the Canadian housewife is in for a period of restricted delivery services.

This topped the list of answers—was almost unanimous. It looks as if she and friend husband are going to carry their own.

* * *

Rubber Crisis
St. Catharines Standard

The ability to fight an all-out war is imperilled by the shortage of rubber. This statement from the official Controller of Supplies A. H. Williamson causes The Financial Post to comment that very little has been done, since the Japs attacked December 7, to conserve this vital war commodity.

It would be well right now if every patriotic householder took an inventory of the rubber within the house which can be turned over for salvage. Minister Howe wants 25,000 tons from this effort, and it can be done. The Japs have surely frozen the great rubber supply from the Far East.

* * *

The Mail-box

Wealth 'Conscripters

Editor, The Financial Post:

What are the wealth conscriptors talking about? The Hamilton Review brings up again the recent editorial in The Financial Post. And it wonders if we are thinking in terms of money, bonds, shares, savings accounts—Of course, we are! These terms are "the paper expression of the tangible wealth behind them" and as long as we use this financial setup these terms must be used.

What does the government seize when it takes our stocks, bonds, and savings? Merely the title or right to avail itself the uses of real wealth represented by those stocks and bonds.

The fact is wealth is conscripted now to a small extent. Goods and services are real wealth. Are not there priorities on goods? Are not many industries conscripted for war production? There are your good and services.

Ask yourself to what purpose can conscription of wealth be put. Production of war materials.

Conscription of wealth is a real thing—no myth! It is generally misunderstood. It is not a political catch-phrase, rather a political football!

R. L. McLAUGHLIN,
Plenty, Sask.

Sayings of the Week

"It is better to bomb Tokio than to build air raid shelters in San Francisco." *Dr. William Y. Elliott, Harvard University.*

* * *

"Gentlemen. We are not going to dig copper merely to bury it again. Good day."—*U. S. Production Chief, Donald M. Nelson, in response to casket makers plea for continued supply of copper for coffins.*

* * *

"One of the things we are fighting for is the right to criticize and tick off our own Government; the right to grouse is one of the things we should never give up." — *Clement Attlee, England's Lord Privy Seal.*

* * *

"None of the victories of the Axis could have been gained without this silent but very active partner—from the Battle of Poland to Pearl Harbor. His name is Complacency." — *James A. Farley, former U. S. Postmaster General.*

* * *

"When the campaign has reached its objective, we will have gathered up every last discarded rubber article in the country." — *Hon. C. D. Howe, announcing the new government agency to take over all scrap rubber in Canada.*

* * *

"For the last twenty years successive college generations have been coddled by progressive education and left wide open for the blandishments of outrageous political demagogues." — *Mortimer W. Byers, U. S. District Court Judge, Brooklyn, commenting on anti-war petitions signed by eastern university students.*

The Financial Post

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Cutting the Costs in Business

Clothing Frills and Fads on Way Out

Canada's Clothiers Draft Plans to Make the Wool Go Round

By ROBERT C. STARK

With the twin goals of saving materials and eliminating frills Canada's clothing makers have got together and outlined a programme which now has the blessing of the Wartime Prices and Trade Board and will become effective May 1 on ready-made clothing and Aug. 1 on made-to-measure suits.

Changes in men's clothing are going to be many but there are not going to be any extreme, outlandish changes in style. The frill eliminations in Canada parallel those already announced for the United States. In this cutting down, Canada is going fully as far as the U. S. in a physical way and when the difference in climate is considered we are going a good deal further.

Climate Against Us

What difference our climate actually makes is indicated by the fact that Canada is the greatest consumer of wool per capita in the world. In 1941 Canada used about 10 lb. of greasy wool per capita against about 8 lb. per capita for the United States. Incidentally the need for a greater watchfulness of wool supply here is accented by the fact that of our 10 lb. per capita consumption, we produced only about 1¼ lb. while the U. S. produces about 4 lb. per capita or half of its consumption.

Double-breasteds Out

One of the most noteworthy changes in the new frilless men's clothing industry is to be the elimination of double-breasted suit coats, a single step which saves five inches of cloth. In the U. S. double-breasted suits are still permitted but must go unaccompanied by a vest.

Only one pair of trousers is to be sold with each suit. This matter was one that came in for a good deal of discussion before final decision was made on elimination of the extra pair. In the clothing trade itself there are two schools of thought on the value of the second pair of trousers. Its champions claimed that the extra pair lengthened a suit's life by several months; the other side said that in the great mass of suits sold the coat and vest wore out just as quickly as the trousers and that the extra pair made no difference. The latter view has prevailed.

The day may be coming when instead of shortening father's trousers for son the process will be reversed and Junior's trousers will be let down for the old man. On men's trousers cuffs are now out; at first the same ruling was to be applied to boys' trousers but it was realized that leaving the cuffs on a youngster's pants would allow letting them down to take care of growth.

Do Complete Job

No haphazard job has been done by men's clothing manufacturers in deciding where cloth could be saved and non-essentials eliminated. Suit coat lengths now may not exceed 29½ inches for size 38, a cut of an inch or so on the average. No more than one inside breast pocket will be permitted while the turn-up for sleeve or coat bottom is not to exceed 1½ inches.

Buttons on coat sleeves are out entirely while going along the same path are belted bi-swings or pleated backs, patch pockets or inside bellows, vents on either back or side, cash pocket on outside or inside facing, arm shields, chest stitching and design on body lining and cuffs on sleeves.

Wearers of "weskits" will doff a few trinkets—wartime vests will no longer be permitted back straps, inside breast pocket, pencil pockets. Double breasted vests and collars on single breasted vests are out entirely.

For trousers the new restrictions call for length of the inside length not to exceed 35 inches and knee width not to exceed 22½ inches for a size 32 waist.

Along with the extra pair elimination, other trouser disappearances include pleats, cuffs, extension waistbands, cloth belts, watch pocket, full top pocket, flaps on back pockets, tunnel loops, back or side straps, French flys, high English back, open lap seams, raised seams and outlet on the outseam or below the knee on the inseam.

Work pants are restricted to an inside length of 33 inches finished, maximum turn-up of two inches, maximum of four pockets and are not permitted cuffs or zippers.

For sport jackets and tropical suits the same restrictions as in regular suits apply with the exception that two plain patch pockets are permissible

On men's overcoats and fall topcoats length is limited to 46 inches for size 38, size of buttons is definitely stated, stitching on sleeves is not to exceed two rows, turn-up is not to exceed two inches. On a single-breasted coat—size 38—maximum sweep is to be 56 inches and on a double-breasted coat 60 inches. The wing sleeve coat is to be modified so that yardage for size 38 will not exceed three yards.

Entirely gone from overcoats will be such frills as sleeve buttons, all round belts, throat or collar tabs, ticket pocket on facing, button and buttonhole on the vent, double stitched edges, inverted pleat and fancy back, cuffs or tabs on sleeves and bellows pocket and facing.

Waterpoofs Dampened

On waterproof or rubberized clothing men's coat lengths are limited to 45 inches for size 38. Not to be permitted in this line are such things as double stitched edges, real or imitation leather buttons — only flat buttons are to be used—gun patches and epaulets on trench models, double breasted tweed models and belts, back vents or slits on tweed models.

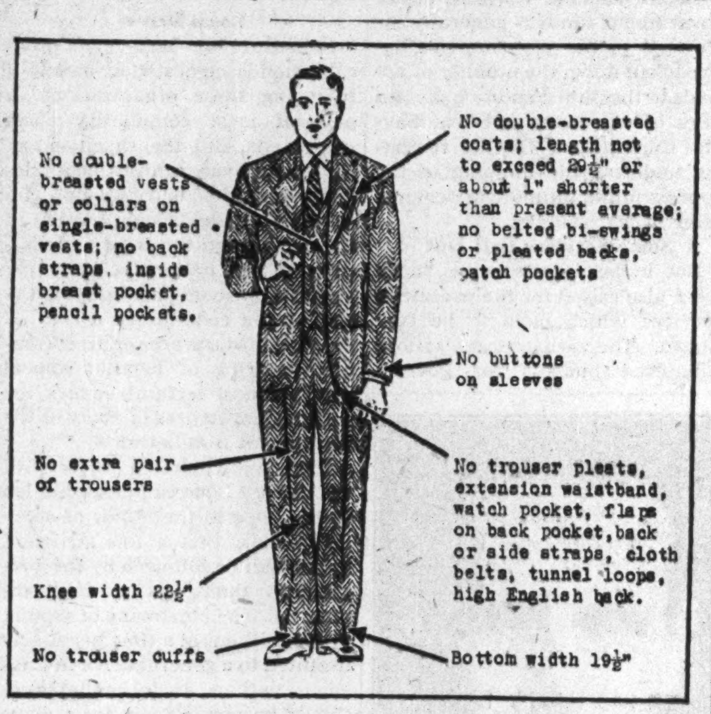
Similar restrictions in all these lines are to be in effect for boys' and youths' wear.

In sportswear and woollen work garments pleats, bi-swings and knife pleats, military and bellow patch pockets, collar tabs, zipper pockets, facings where zippers used, double yokes or backs, will not be permitted.

Men's mackinaw coats are limited to back lengths from 30 inches to 36 inches and four pockets. Norfolk styles or double yokes or backs in this line are out.

For parkas, ski slacks and windbreakers there are also sundry pocket and zipper restrictions and eliminations.

In total these changes mean a very appreciable saving in material and labor costs for the clothing industry although basically attractive styles are retained. This slimming down of Dame Fashion not only means economy for the manufacturer but a wider spreading out of available materials than would otherwise be the case.



In total all these frill eliminations add up to an unknown sum for Canada—statistics are not available for estimates. A similar U. S. programme will mean saving 40 to 50 million pounds of wool, but in Canada there are many fewer two-pant suits, many more overcoats. Actual saving in cost per suit will vary from maker to maker, depending on how many frills each one has been putting in his suits.

Restrictions start May 1 on ready-made suits, Aug. 1 on made-to-measure. This time lag is really to put retailers of both types in the same position; ready-to-wear retailers stock up months ahead and the summer will allow moving out of those stocks already on hand. Even at that, one large made-to-measure house with WPTB permission is starting some restrictions this week.

On the Record

W. A. Cavers, Cavers Bros., St. Catharines, appointed local representative, St. Catharines sub-region, WPTB.

Four Deputy Administrators appointed in the Textiles Administrations. **Max E. Enkin**, secretary-treasurer, Cook Clothing Co., Toronto, will have charge of men's clothing; **H. H. Woodward**, president, Tooke Bros., Montreal, men's and boys' furnishings; **H. Rother**, Montreal, women's coats and suits; **George Gilchrist, president**, Kops Bros., Ltd., Toronto, women's, misses' and children's wear. (Feb. 21 WPTB No. 429)

John A. Barber named local representative of the Kitchener sub-regional office, WPTB. (Feb. 20 WPTB No. 432)

E. A. Horton named to assist Hugh A. Mackenzie, assistant to the chairman, WPTB, in the programme for economy and simplification in trade and industry. (Feb. 20 WPTB No. 433)

Manitoba region, WPTB, appointments; **G. R. Cormack**, deputy director, food administration, wholesale and retail; **Eric R. Gold**, deputy director, rentals administration; **John D. Lyone**, regional director, women's, misses' and children's wear; **Ben. Jacob**, regional director, women's coats and suits. (Feb. 20 WPTB No. 434)

Lloyd D. Jackson, president, Jackson's Bread, Ltd., Hamilton, named special adviser to the Bread and Bakery Products Administration. (Feb. 22 WPTB No. 431)

W. H. Palm, sales manager, Brompton Pulp and Paper Co., Montreal, appointed Deputy Administrator of Wrapping Paper in the Pulp and Paper Administration. (Feb. 22 WPTB No. 437)

James Arnold, general manager, Canada Foundries & Forging, Ltd., appointed deputy administrator jointly to the Administrator of Fabricated Steel and Non-Ferrous Metal and the Administrator of Machinery and Plant Equipment. (Feb. 23 WPTB No. 438)

William G. Currie, K. C., appointed regional rental administrator for Saskatchewan; **Robert Charlton**, named Rental Committee for Regina. (Feb. 20 WPTB No. 440)

Crawford Gordon, Canadian General Electric Co., Ltd., Montreal, appointed Director of Organization in the Personnel and Organization Branch of the Dept. of M. & S. (M. & S. No. 737)

10 million pounds of waste paper have been collected. One ton will produce material for any of the following: 1,500 shell containers; 9,000 shell fuse component parts; 47,000 boxes for small arms ammunition; 3,000 boxes for aero cannon shells; 1,000 packing cases for two-pounder shells.

Anti-aircraft searchlight, 80,000,000 candlepower, costs $18,000 exclusive of generator equipment.

Your Estate--
Rising Taxes

One of the best ways to cope with rising taxes is to have a thorough knowledge and understanding of them.

Everyone must pay heavier taxes. No one is expected to pay more than his share. Yet that often happens through lack of knowledge or through neglect.

Does your Will contain provisions that will prove costly in Succession Duties and Income Tax?

To the extent it does, it will fail to carry out your intentions.

We should be glad to discuss with you the effect of these taxes.

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The Week in Business

Measured by the Dominion Bureau of Statistics index of the cost of living, Canada's mammoth price control effort is working to date. For three months now, the index has fluctuated less than half a point. At the same time, other industrial indices give a measure of the increasingly high rate of activity.

Cost of living in Canada for February rose from 115.4 to 115.7 but it is still below levels of both December and November and has shown encouraging stability.

Wholesale and retail sales for January, when compared with a year ago, were up from 106.2 to 132.3 for the former and from 124.5 to 151.3 for the latter. The seasonal decline from December to January was small in the case of wholesale business and entirely missing for retail.

Flour production was 32.1% higher in January this year than in the corresponding month a year ago. Flour exports for the same month were up 111.7% and wheat exports up 128.3%.

Cattle sales in February this year were 76,861 head compared with 68,750 head a year ago. For the first two months of 1942 the rise has been 22.8%; a gain probably reflecting largely increased domestic consumption as exports are of relatively little importance.

Hog sales, unlike cattle sales, were lower in February this year than in the same month of 1941 but for the first two months of the year a gain of 5.6% is reported. In this case, the major influence is export demand and supply of hogs for slaughtering.

Electric power output, an excellent indicator of industrial activity, starts this year off with a gain of 22.4% over the first month of 1941.

MONTHLY INDICES

	Feb.	Jan.	Dec.	Nov.	Year Ago
The Financial Post business index	....	°166.0	166.6	164.8	160.1
National Income, D.B.S.•	....	....	456.4	442.3	418.9
Dom. war expend.•	....	145.2	124.4	120.0	87.7
Dom. total revenue•	....	120.5	111.5	108.4	80.2
Dom. total expend.•	....	184.6	168.0	170.3	124.9
▪Retail sales index no.	....	151.3	147.3	138.1	124.5
Dept. store sales index no.	....	152.1	145.8	137.6	123.5
▪Wholesale sales index no.	....	132.3	137.4	147.4	106.2
Country store (% change pr. yr.)	....	+20.5	+14.4	+5.5	+2.4
Divd. payment index♦	121.4	121.3	120.3	119.3	120.0
COST OF LIVING—					
▪D.B.S. index	115.7	115.4	115.8	116.3	108.2
EMPLOYMENT INDEX Nos. D.B.S.—					
All industries	....	168.8	167.6	165.8	139.1
Manufacturing	....	188.4	187.5	185.0	144.7
Payroll index (a) (1937=100)	....	193	186	189	....

	1941-42	1940-41	Jan. 1 to date 1941-42	Jan. 1 to date 1940-41	% Change
RAILWAYS—					
▪Carloadings (week Feb. 28)	63,553	56,087	545,115	469,796	+16.0
▪C.N.R. gross (week Feb. 28) $	6,418,000	5,509,000	50,917,000	41,170,000	+23.7
▪C.P.R. gross (week Feb. 28) $	4,934,000	4,045,000	36,898,000	28,792,000	+28.2
C.N.R. net revenue (Jan.) $	5,157,112	3,150,394	....	....	+63.7
C.P.R. net revenue (Jan.) $	3,184,062	2,665,761	....	....	+19.5
IRON AND STEEL—(January)—					
Pig iron production (tons)	163,156	115,455	......	......	+41.3
Steel ingots and castings prod. (tons)	257,069	208,659	......	......	+23.2
AUTOMOBILES—(Number)—					
Passenger Cars:					
Domestic sales* .. (Dec.)	3,875	8,775	83,650	101,789	—17.8
Factory output ... (Jan.)	4,249	11,990	....	....	—64.5
Trucks and Buses:					
Domestic sales .. (Dec.)	2,214	2,145	34,432	28,763	+19.7
Factory output ... (Jan.)	17,502	11,205	....	....	+56.2
Financing:					
Used ... (Jan.) $	1,675,898	2,452,366	....	....	—31.7
New ... (Jan.) $	1,623,444	2,168,043	....	....	—25.1
CONSTRUCTION—					
Contracts awarded . (Feb.) $	11,052,200	24,704,600	23,933,100	51,284,400	—58.3
Cement prod., bbls. (Nov.)	663,332	643,522	7,987,357	7,271,232	+9.8
AGRICULTURE—					
▪Flour prod., bbls. .. (Jan.)	1,555,850	1,177,369	....	....	+32.1
Flour exp., bbls. ... (Jan.)	750,363	354,818	......	......	+111.7
Wheat exp., bush. .. (Jan.)	11,144,808	4,880,080	......	......	+128.3
▪Cattle sales▲ ... (Feb.)	76,861	68,750	187,137	152,457	+22.8
▪Hog sales▲ ... (Feb.)	507,817	511,468	1,102,732	1,043,727	+5.6
SEA FISHERIES—‡					
Catch cwts.• ... (Nov.)	934,600	907,100	10,421,100	10,487,800	—0.6
Landed value ... (Nov.) $	1,438,200	886,000	24,489,030	17,122,300	+43.0
NEWSPRINT—					
Production, tons .. (Jan.)	311,904	261,298	.....	.....	+19.4
Exports ... (Jan.)	12,665,000	9,763,000	....	....	+29.7
MINING AND OILS—					
Coal prod., tons .. (Dec.)	1,794,973	1,671,095	18,155,447	17,566,884	+3.3
Coal import. tons .. (Dec.)	1,833,483	842,407	21,808,861	17,546,107	+24.3
Gold rec., fine oz. .. (Jan.)	442,038	461,602	......	....	—4.2
Crude oil, imp. gals.† (Dec.)	126,319	77,430	1,635,580	1,484,537	+10.2
ELECTRIC POWER OUTPUT—(January)—					
▪Total monthly, 1,000 kw.h.'s	3,226,289	2,634,695	....	....	+22.4
FOREIGN TRADE—♦					
Imports ... (Jan.)	$142,126,584	98,382,462	......	......	+44.4
Exports ... (Jan.)	$152,307,437	88,952,659	......	......	+71.2
OTHER INDUSTRIAL FACTORS—					
Dressed lumber exp.: 1,000 bd. ft. ... (Jan.)	103,443	164,892	....	....	—37.3
Shoes, prod., pr. . (Dec.)	2,736,108	2,044,725	32,646,736	26,261,088	+24.3
Cotton consump., lb (Jan.)	16,833,456	15,679,582	....	....	+7.4
Raw rubber imp. lb. (Dec.)	6,486,397	16,321,954	149,172,052	113,773,959	+31.1
Cigarette cons., No.† (Jan.)	747,732	623,571	....	....	+19.9
Sugar manufactured . lb §	90,187,029	87,221,405	1,199,719,338	1,137,792,237	+5.4
FINANCE—					
Bank debits† ... (Jan.) $	3,230,789	2,941,104	....	....	+9.8
▪Bond sales† ... (Jan.) $	90,326	81,686	....	....	+10.5
Life insurance sales (Jan.) $	43,081,000	28,326,000	....	....	+32.1

*D.B.S All Canada figure covering 90% of the Canadian total.
‡Unrevised figures covering N.S., P.E.I., N.B., Que., B.C.
▲Total at yards and plants. New items for week marked ▪.
†000's omitted. §For four weeks to Dec. 31. ♦Gold excluded.
•Millions of dollars. °Final. ♦Supplied by Nesbitt, Thomson & Co.
(a) Compiled by Canadian Bank of Commerce.

All B.C. Salmon-Pack Headed For Britain

From Our Own Correspondent

VANCOUVER. — British Columbia's fish packing industry which set new records in canning salmon and herring last year in order to meet unprecedented demands from the United Kingdom, will be relieved of the obligation of catering to the domestic market this year.

All canned salmon is to be shipped direct to the United Kingdom and none of the 1942 pack will be available for the home markets. This arrangement is in compliance with a deal negotiated between the Canadian and British governments.

Britain Gets Lion's Share

Last year a total of 2.1 million cases of salmon was packed, and two thirds was asked for by the British markets. The exact amount of British deliveries has not been announced.

The performance of the industry in connection with herring was even more spectacular than with salmon, as before the war the average pack of this variety of fish was less than 100,000 cases. All the herring pack was asked for by Britain.

Closing of a large part of the North Sea to fishing and impossibility of getting normal supplies from Scandinavia made Britain largely dependent on Empire sources of supply, and British Columbia, leading fisheries province, fell heir to the biggest overseas orders in history.

Japs Eliminated

Elimination of Japan from the British market was also an important factor. Japan was a serious competitor of British Columbia salmon before the war, and only the Empire preferential tariff made it possible for B. C. to sell salmon there in view of the low costs of production in the Orient.

Heavy requirements of the armed services in the United States made it difficult for the American packers to ship as much fish to Great Britain as might otherwise have been the case. Curtailment of fishing operations in the prolific Bristol Bay area of Alaska will also cut down the American Pacific pack of salmon extensively, although it is hoped to resume fishing in that region some time this spring. The major difficulty there is getting sufficient vessels to maintain supplies up the coast.

Few Fishermen

One of the problems to be faced by the British Columbia packers this year will be maintenance of high production in the face of growing shortage of fishermen. It is also recognized that 1941 witnessed an abnormally heavy run of salmon, particularly of the highly favored sockeye variety. Most packers feel that even with favorable operating conditions it will be impossible for them to match last season's showing.

A complication has been caused by the withdrawal of some 2,000 Japanese fishermen from the fishing grounds of British Columbia. Fishing rights have been denied all Japanese here, and more than 1,000 of their vessels have been taken over by the navy.

So far only a small proportion of these seized vessels have been disposed of to white fishermen and Indians. Some of the larger craft have been commandeered for the use of the navy, so that the floating equipment available for the canneries will be acutely depleted.

By relaxing some conservation measures, reducing the length of the closed seasons, opening more areas for intensive fishing, perhaps the operation of more traps and purse seines, it is hoped that the catch per man will be greatly increased this year.

FAMILY FRIEND . . .

The Family Herald and Weekly Star is more than just a farm magazine. For years, it has been a trusted business counsellor, wise in the ways of farm operation, helpful in its understanding of rural problems and broad in its appeal to EVERY member of the family.

Today, as rural Canada becomes the nation's No. 1 market and vital supply line to Britain, the Family Herald is more than ever a valued advisor to the farmer as well as an entertaining companion in his reading hours.

That is why the Family Herald is so completely entrenched in the hearts and homes of more than 300,000 rural families today . . . That is why it has become such a powerful sales medium in the farm field.

Family Herald and Weekly Star
CANADA'S NATIONAL FARM MAGAZINE
MONTREAL CANADA

BORDER CITIES WIRE and IRON WORKS
ORNAMENTAL AND MISCELLANEOUS
WIRE AND IRON
GALVO OPEN STEEL STEPS AND FLOORING
BUILDER'S IRON
STRUCTURAL STEEL
WALKERVILLE, ONTARIO

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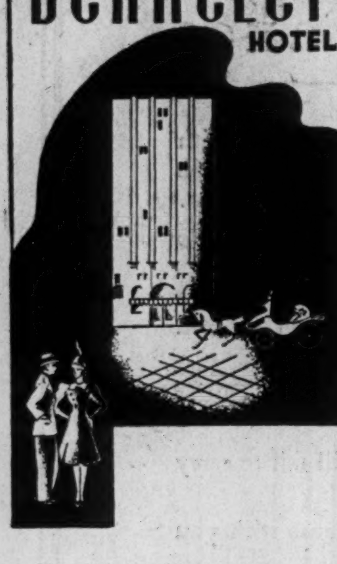
ABC

THE FINANCIAL POST An A. B. C. Publication

This paper has long been an A.B.C. member because we believe in selling known value. Canadian publishers helped establish the A.B.C. in 1914.

A. B. C. = Audit Bureau of Circulations = FACTS as a yardstick of advertising value

in MONTREAL... the BERKELEY HOTEL



Situated on Montreal's finest residential thoroughfare . . . the Berkeley maintains a reputation for quiet comfort, service, and hospitality. It is the regular Montreal "Stop" for people of taste.

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The Berkeley Hotel IN MONTREAL

Company Reports

B. C. Telephone

The very marked increase in industrial activity in British Columbia during 1941 resulted in the greatest demand for telephone service in the history of British Columbia Telephone Co., states Gordon Farrell, president, in the annual report. The net gain in telephones amounted to 10,041 as compared with a net gain of 5,914 in 1940, bringing telephones in service on Dec. 31, 1941, to 143,807 as compared with 133,766 in service a year ago. The number of originating long distance calls in 1941 was greater by 13.3% than the number during 1940. Record demand for telephone service materially increased gross revenue, but at the same time operating costs and taxes were also comparably higher.

During the year almost all the remaining manual telephones in the Vancouver business area were converted to automatic operation. Mr. Farrell notes that, while the company to date has been able to furnish and maintain its usual standard of service, shortages in telephone equipment are developing which may before long present operating difficulties and cause delays in the installation of new or additional service.

During the year the company increased its authorized capital from $10 millions to $11 millions. An issue of $1.5 millions series B 4½ first mortgage bonds were sold, which increased the amount outstanding to $14 millions.

Income and Surplus Account
Years ended Dec. 31

	1941	1940
	$	$
Operating revenue	6,547,552	6,050,009
Add: Invest. int.	3,990	12,177
Misc. rev.	22,224	25,145
Less: Maint., oper. exps., etc.	3,276,323	3,091,859
Dirs. fees	13,500	9,000
Legal exps.	20,497	14,016
Exec. sals.	87,245	86,870
Taxes	680,076	627,080
Depreciation	1,058,559	998,846
Bond int.	588,190	562,500
Conting. res.	50,000	......
Bond disc. amort.	67,273	37,632
Net profit	732,102	659,528
Less: Preference divds.	60,000	60,000
Preferred divds.	270,000	270,000
Ordinary divds.	360,000	360,000
Surplus on year	42,102	*30,472
Add: Prev. surplus	506,788	537,260
Surplus forward	548,890	506,788

*Deficit.

Net earnings per ord. share	$8.90	$7.32
Paid	8.00	8.00

Working Capital

	$	$
Current assets	2,270,082	1,581,199
Current liabilities	1,300,063	1,090,657
Working capital	970,019	490,542

Barber-Ellis of Canada

Barber-Ellis of Canada, paper dealers and manufacturers, reports net profits for 1941 equivalent to $4.11 a share on its preference stock. In 1940 the company reported a net loss before payment of dividends.

Liquid position has improved since the last balance sheet was issued as at June 30, 1941. Bank loans of $50,000 appearing at that time has disappeared from the year-end statement. Funded debt consists of $357,900 in 6% bonds, due 1951, a reduction of $10,500 in the six month period.

Consol. Income and Surplus Account
Years Ended Dec. 31

	1941	1940
	$	$
Net earnings	138,562	59,773
Less: Bond interest	22,104	27,704
Sinking fund	10,500	10,000
Loss on bonds	25	......
Inc. & E. P. taxes	56,639	27,368
Net profit	49,294	*299
Less: Pref. dividends	4,200	4,200
Common divds.	22,000	11,000
Surplus for year	23,094	*15,499
Add: Previous surp.	114,955	131,825
Less: Adjusts. (net)	......	1,371
Surplus forward	138,049	114,955

*Loss or deficit.

Earned per Share:		
Preference	$4.11	nil
Paid	3.50	$3.50
Common	1.02	nil
Paid	0.50	0.25
Shares O/s:		
Preference, $50 par	1,200	1,200
Common, $10 par	44,000	44,000

Working Capital

	Dec. 31 1941	June 30 1941
	$	$
Current assets	874,319	1,041,172
Current liabilities	293,141	300,028
Working capital	581,178	741,144

Pressed Metals

Pressed Metals of America reports sales of $4.7 millions in 1941 compared with $4.3 millions in 1940. Sales volume last year was at record levels for the company. Net profits are lower, equivalent to $1.03 a share on the common against $1.46 a year ago. Dividends were passed in December and J. W. Leighton, president, tells shareholders that resumption will depend on results from war work and that this will not be known for some time.

Mr. Leighton, summarizes the position as follows:

"Sales of our products have ceased for the manufacture of automobiles and production of war products has commenced and will be increased as fast as tooling, equipment and raw materials are in production. War orders received include shackles for army jeeps, spring pins, wheel nuts and bolts for army trucks, magazine housings for shell fuses, cartridge containers and bomb parts. It will take several months to place all of these in full production. New design submitted to the navy is being tested and looks promising for adoption within a few months."

Annual meeting is to be held March 28 at Port Huron, Mich.

Income and Surplus Account
Years Ended Dec. 31

	1941	1940
	$	$
Operating profit	695,581	761,063
Less: Depreciation	124,796	114,766
Income taxes	292,132	251,492
Cap. stock tax	......	1,600
Net profit	278,653	393,205
Less: Dividends	201,427	268,570
Surplus for year	77,226	124,635
Add: Prev. surplus	946,872	823,230
Profit on real est.		2,116
Less: Loss on assets	3,602	3,109
Loss on bank clos.	842	......
Res. on securities	26,852	......
Res. on real estate	3,000	......
Organ. exps. w/o	56,170	......
Surplus forward	933,632	946,872
Earned per Share	$1.03	$1.46
Paid	0.75	1.00
Shares o/s, $1 par	268,570	268,570

Working Capital

Current assets	1,119,469	1,253,972
Current liabilities	391,821	536,061
Working capital	727,648	717,911

Bathurst

Bathurst Power and Paper Co. reports a net profit after all charges in 1941 equal to $2.17 a share on the class A stock, as against $1.97 the year before. Earnings on the B stock were 17 cents a share, against nil in 1940.

Production of all products increased from 96,446 tons in 1940 to 105,993 tons in 1941, and the net value of sales from $5.5 millions to $6.6 millions.

Strengthening of the balance sheet is noted with net working capital of $3.6 millions comparing with $2.8 millions at the close of 1940. The principal changes were in cash, accounts receivable and inventories, details of which are listed below.

Consol. Income and Surplus Account
Years Ended Dec. 31

	1941	1940
	$	$
Net sales	6,600,011	5,458,358
Less: Cost of sales	4,588,057	3,785,922
Operating profit	2,011,954	1,672,436
Add: Non-oper. rev.	198,250	146,029
Total income	2,210,204	1,818,465
Less: Exec. salaries	63,946	61,600
Prov. corp. tax	22,925	22,856
Directors' fees	7,153	7,450
Legal expenses	3,012	8,751
Empl. pens. fund	50,000	......
Net oper. profit	2,063,167	1,717,807
Less: Depreciation	427,931	346,127
Depletion	110,120	86,301
Net before tax	1,525,115	1,285,379
Add: Profit subsid.	(a)5,630	5,782
Less: Inc. & E. P. tax	(b)612,298	504,418
Net profit	918,447	786,743
Less: Dividends	500,000	400,000
Surplus	418,447	386,743
Add: Prev. surplus	626,541	457,644
Less: Prior yr. depr.	......	217,846
Surplus forward	1,044,988	626,541
Earn. "A" stock	(c)2.17	1.97
Earn. "B" stock	(c)0.17	......

(a) After charging $5,088 for depreciation and $393 for officers' salaries.
(b) Estimated. (c) Allowing for $2 preference for "A" and share-for-share participation with "B" thereafter.

Working Capital

Current assets	$4,487,638	$3,857,639
Current liabilities	837,929	1,057,546
Working capital	3,649,709	2,800,093

Balance Sheet Changes

Cash	646,040	423,272
Accts. receivable	853,339	751,402
Inventory	2,162,790	1,914,720
Accts. payable	228,375	550,495

Canadian mine production is the theme of some very attractive "propaganda" which Great Britain is distributing in some countries still neutral. This little poster, about the size of a postcard and printed in bright colors, shows the enormous increase in Canada's copper production between 1914 and 1939. The text is in Portuguese.

Mount Royal Hotel

Operations and earnings of the Mount Royal Hotel Co. for the fiscal year ended Nov. 30, 1941, were the best since 1931. Net profits of $85,010 were 62 cents a share, as against a loss the year before of $226,006.

General financial position was improved considerably; first mortgage indebtedness being reduced by $240,000, and cash rising by more than $100,000, while net working capital advanced substantially.

Income and Surplus Account
Year Ended Nov. 30

	1941	1940
	$	$
Gross revenue	2,761,320	1,857,527
Oper. expenses	2,263,662	1,578,381
Net revenue	497,658	279,146
Less: 1st mtge. int.	139,686	130,533
Gen. mtge. interest	3,960	......
Bond discount	......	34,444
Depreciation	200,000	183,333
Tax provision	69,000	......
Net profit	85,010	126,006

Working Capital

Current assets	404,165	270,244
Current liabilities	237,355	237,281
Working capital	166,810	32,963

Balance Sheet Changes

	1941	1940
	$	$
Cash	174,974	70,027
Inventory	140,921	88,990
Accts. payable	111,790	167,970
First mtge. bonds	3,320,000	3,560,000

McColl-Frontenac

McColl-Frontenac Oil Co. had recorded sales in 1941, and operating profit rose to a new peak of $4.7 millions. Higher charges, including provision for taxes, resulted in reducing the net profit available on the common to $389,672, or 43.3 cents a share. This compared with $590,226 or 65.6 cents a share in the 11 months ended Dec. 31, 1940. Reserves generally were increased by $400,000, but the main offset in the improvement in operating profit was the rise of $730,000 in tax provision.

The consolidated balance sheet as at the end of 1941 features an increase of $629,717 in net working capital, after addition of more than $666,000 to property account and redemption of $300,000 in serial bonds. Also featured is a sharp rise in inventories of raw materials.

Income and Surplus Account

	12 Mos. to Dec. 31 1941	11 Mos. to Dec. 31 1940
	$	$
Operat. profit (a)	4,726,164	3,675,559
Add: Inc. from inv.	(b)29,902	28,372
Total income	4,756,066	3,703,931
Less: Depreciation	1,408,170	1,236,323
Prov. doubt. accts.	101,127	115,000
Pension fund	107,636	nil
Bond int., etc.	499,607	467,483
Bank & other int.	964	617
Bond discount	46,339	47,003
Inventory reserve	380,000	150,000
Inc. & E. P. tax prov.	1,360,000	630,000
Net profit	852,224	1,057,505
Less: Pref. divds.	462,552	467,279
Surplus for year	389,672	590,226
Add: Prev. surplus	3,566,517	3,181,629
Less: Red. pref. shs	59,026	79,420
Surp. adjusts.	82,914	125,918
Surplus forward	3,814,250	3,566,517
Earned per Share:		
Preferred	$11.05	$13.61
Common	$0.433	$0.056
Shares O/s.:		
Preferred	77,092	77,704
Common	900,000	900,000

(a) After charging legal fees, executive officers' and directors' remuneration of $198,885 in year to Dec. 31, 1941 (including $8,500 applicable to 1940); $174,528 in 11 months to Dec. 31, 1940.
(b) After deducting $6,250 loss on sale of bonds.

Working Capital

Current assets	12,542,833	10,169,654
Current liabilities	5,360,296	3,616,834
Working capital	7,182,537	6,552,820

Balance Sheet Position

	1941	1940
	$	$
Accts. receivable	3,455,867	3,075,877
Inventories	8,043,768	6,102,402
Sub. investment	1,692,222	1,574,071
Property	24,618,033	23,951,477
Accts. payable	2,916,869	2,225,143
Mortgage payable	215,805	267,157
Funded debt	11,600,000	11,900,000
Pfd. stock	7,709,200	7,770,400

Dominion Stores

A gain of 16.07% in sales is reported by Dominion Stores Ltd. in 1941 over 1940. During the year the company operated 43 grocery units and 17 meat markets less than in 1940. Average sales per store increased 31.32% for the year.

The net results is a profit equivalent to 61 cents a share against 36 cents in 1940. The company has not paid any dividends since Jan., 1935. Last year's was the highest net profit since 1933.

The company has provided for income taxes at the 40% rate, including excess profits taxes. Application was made on the 1940 report to have the company's standard profit computed on the basis of capital employed as the company's business was "abnormally depressed" in the years 1936 to 1939. Although no decision has yet been rendered, the company expects its application to be successful. The company provided $130,806 for income and excess profits taxes last year compared with $56,850 for 1940. The comparative balance sheet shows EPT provision to be $73,368 for 1941 against $19,450 for 1940.

Working capital shows a small decline. Substantial amounts were spent last year on operating of new self-serve "Master Markets" in Ontario, Quebec, New Brunswick and Nova Scotia. Working capital of the company is stated to be equivalent to $7.60 a share at the end of 1941.

Income and Surplus Account
Years Ended Dec. 31

	1941	1940
	$	$
Sales	21,032,783	78,120,945
Less: Cost of sales & exps.	18,361,303	15,742,518
Wages & salaries	2,106,034	1,975,026
Taxes & licenses	58,266	79,385
Operating profit	507,180	324,016
Add: Interest earned	11,051	7,676
Less: Depreciation	126,221	115,551
Executive salaries	54,661	49,401
Directors' fees	1,260	1,440
Addit. employee comp.	28,062	......
Legal fees	7,154	7,632
Income & E. P. taxes	130,806	56,850
Net profit	170,067	100,819
Add: Prev. surplus	56,343	*150,641
Fire loss res. w/o	15,000	25,000
Refund inc. taxes	......	54,955
Adjustments	......	26,210
Less: Loss on Mtl. whse.	31,791	......
Adjustments	2,483	......
Surplus forward	207,136	56,343

*Deficit.

Earned per Share	$0.61	$0.36
No dividends paid.		
Shares o/s, n.p.v.	280,014	280,014

Working Capital

	$	$
Current assets	2,940,588	2,688,160
Current liabilities	892,579	531,636
Working capital	2,048,009	2,156,524

Balance Sheet Changes

	$	$
Cash	909,838	511,842
Call loans	......	175,000
Dominion bonds	2,469	150,594
Merchandise	1,905,280	1,730,789
Accounts payable	738,393	442,423

Charities Fear Squeeze From Ban on Campaigns

Restriction of Public Appeal Would Leave Organizations Unable to Meet Normal Demands

Cut off from public appeals to meet costs of their war services, the financial structure of Canadian charitable organizations will be jeopardized if, as is feared, the ban is extended to all public appeals, according to statements made to The Financial Post by officers of some of these charities. Final stand on the matter has not been taken by the government, and charitable agencies are hopeful that some workable arrangement will be reached.

The plan to finance the war work of the Canadian Legion, the Salvation Army, Knights of Columbus, Daughters of the Empire, Navy League of Canada, the Y.M.C.A. and the Y.W.C.A. out of government funds is generally attributed to the government's desire to cut down the number of appeals to the public and to maintain sales of war loans and War Savings Certificates. Similar reasoning underlay the lumping of the appeals in the united war services drive of last year.

Some Services Left Out

But in last year's drive, funds were also raised for the peacetime services which have to be continued. The various organizations submitted budgets for governmental O.K., and funds were released from the pooled drive to meet these schedules.

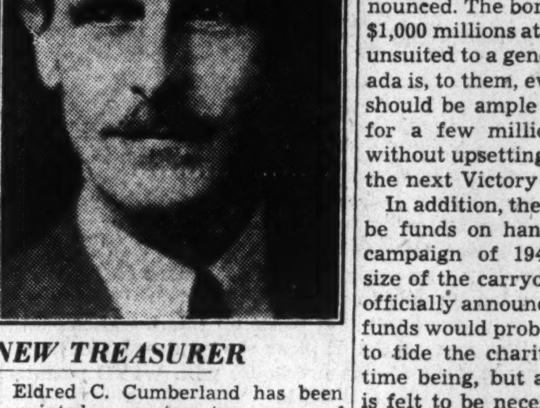
According to charity officers, the funds authorized for war services did not cover all the war expenses to which the charities were exposed. For instance, the "hostess houses" operated by the Salvation Army were not considered a war service. Principal use of these homes is to provide meeting places for soldiers on leave and their families in homelike surroundings. Excluded from the war services O.K., the homes had to be carried on peacetime funds, but so long as these could be gained from public appeals, the financial problem was not insurmountable.

Local Drives

Substitute for last year's joint campaign is suggested by means of financing these organizations as part of local community chest campaigns. But the charities say that many communities lack adequate associated drive set-ups, and in others the additional burden of financing even the local expenditures of the national charity organization would about double the size of the community drive. If the worst fears were realized, complete barring of popular appeal would almost certainly wreck the financial structures of many of the charities, it is believed.

The overwhelming success of the Victory Loan campaign has led to the hope in the minds of charity officials that a less stringent policy will be followed by the government than was at first announced. The borrowing of around $1,000 millions at a time peculiarly unsuited to a general drive in Canada is, to them, evidence that there should be ample room for a drive for a few millions for charities without upsetting the schedule for the next Victory Loan.

In addition, there are believed to be funds on hand from the joint campaign of 1941, although the size of the carryover has not been officially announced. Use of these funds would probably be sufficient to tide the charities over for the time being, but an early decision is felt to be necessary for the organizations which would normally carry on a campaign in the early spring. Some of these are already close to the end of their resources, they tell The Financial Post.



NEW TREASURER

Eldred C. Cumberland has been appointed secretary-treasurer of Distillers Corporation-Seagrams Ltd. Born at London, Ont., Mr. Cumberland was an artillery officer in the last war and has been associated with various financial houses until his present appointment.

Canada Northern Power

Moderate decline in both gross and net earnings is reported by Canada Northern Power Corp. for 1941. Net profit of $246,947 was 61 cents a share on the common stock, as against $385,343, or 96 cents the year before.

Net working capital position was well-maintained. Feature of the balance sheet was a reduction in cash resources and a sharp increase in investments, due to the purchase by a subsidiary of $1,690,000 of the company's 5% bonds, which formed part of the repatriated securities held by the United Kingdom. Funded debt was reduced during the year by $251,000, while there is a further reduction in the underlying preferred stock.

Income and Surplus Account
Years Ended Dec. 31

	1941	1940
	$	$
Gross earnings	4,994,176	5,020,464
Less: Purchased pwr.	1,046,426	1,075,276
Operation	729,160	715,213
Maintenance	122,380	123,440
Taxes	870,233	693,066
Bad debts	4,891	4,925
Interest	772,182	827,538
Pension fund	25,000	......
Depreciation	720,000	733,000
Bond expense	......	5,537
Net profit	703,905	842,469
Less: Pfd. dividend	456,858	457,126
Com. dividend	323,502	436,700
Deficit	76,555	51,357
Previous surplus*	2,613,074	2,624,073
Surplus forward	2,536,519	2,572,716
Earned per Share	$0.61	$0.96

* Adjusted.

Working Capital

	1941	1940
Current assets	3,873,067	3,913,535
Current liabilities	1,194,539	1,275,217
Working capital	2,678,528	2,638,318

Balance Sheet Changes

	1941	1940
Cash	321,207	805,968
Call loans	......	645,000
Investments	2,797,308	1,697,464
S. F. bonds	608,000	239,000
Funded debt	14,304,500	14,565,500
Sub. pfd. stock	1,190,900	1,202,100

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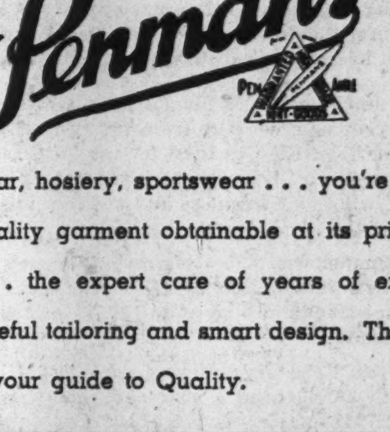

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Position of Chartered Banks of Canada as of January 31st, 1942, Shown by Monthly Returns to Minister of Finance

LIABILITIES

NAME OF BANK	Notes in Circulation	Deposits by and Bal. Due to Dominion Government	Deposits by and Bal. Due to Provincial Government	Advances from Bank of Canada	Demand Deposits in Canada	Savings Deposits in Canada	Deposits Elsewhere	Bal. due to other Banks in Canada
	$	$	$	$	$	$	$	$
Montreal	17,365,455	44,594,589	8,499,582	......	338,330,765	432,562,192	92,760,663	3,719,654
Nova Scotia	6,211,046	8,315,560	883,804	......	70,674,624	158,962,558	48,987,663	2,519,020
Toronto	3,037,784	4,393,692	2,139,069	......	58,697,859	93,288,579	254,742	56,311
Provinciale	1,934,095	1,090,262	304,081	......	11,505,285	41,413,172	12,376	1,245
Commerce	14,575,899	13,847,289	15,240,520	......	228,719,795	342,077,654	67,834,937	853,986
Royal	19,755,388	11,959,154	11,889,175	......	338,849,051	360,098,770	223,201,893	13,559
Dominion	3,137,196	1,925,950	1,022,883	......	51,553,059	81,859,919	8,673,288	1,003,369
Nationale	3,510,107	2,801,320	2,203,375	......	42,787,243	103,986,978	439,554	1,378,635
Imperial	3,470,035	8,527,878	16,684,255	......	61,239,507	100,512,517	2,643,908	1,082,902
Barclays (Canada)	615,295	2,490,998	7,325	......	5,786,431	5,673,314	3,793,270	38,640
Total	73,612,300	99,946,692	58,874,069	......	1,217,143,619	1,720,435,653	448,572,294	10,667,312

NAME OF BANK	Due to Banks in U.K.	Due to Banks Elsewhere	Bills Payable	Letters of Credit outstanding	Other Liabilities	Dividends Declared and unpaid	Reserve Fund	Capital Paid Up	Total Liabilities
	$	$	$	$	$	$	$	$	$
Montreal	8,258,661	10,685,352	......	17,362,152	4,566,122	737,498	39,000,000	36,000,000	1,054,442,690
Nova Scotia	1,287,106	1,443,713	......	33,080,918	1,169,528	13,715	24,000,000	12,000,000	378,549,261
Toronto	566,150	442,319	......	2,580,705	......	150,692	10,000,000	6,000,000	181,607,907
Provinciale	......	29,710	......	143,421	4,058	3,184	1,000,000	4,000,000	61,440,892
Commerce	3,987,859	5,995,181	......	28,157,660	......	625,318	20,000,000	30,000,000	771,886,105
Royal	2,320,208	10,263,420	10,826	35,876,125	1,816,962	56,893	20,000,000	35,000,000	1,071,111,421
Dominion	682,972	281,860	......	8,714,117	1,028,159	176,699	7,000,000	7,000,000	168,059,477
Nationale	100,977	651,853	......	450,142	34,512	145,264	5,000,000	7,000,000	170,489,964
Imperial	1,261,547	617,206	......	3,432,035	......	176,732	8,000,000	7,000,000	214,648,527
Barclays (Canada)	2,781,371	885,079	......	962,137	11,358	......	750,000	1,500,000	25,295,223
Total	21,246,851	31,295,693	10,826	124,759,412	8,630,699	2,085,995	134,750,000	145,500,000	4,097,531,467

SUPPLEMENTARY INFORMATION

NAME OF BANK	Capital Authorised	Capital Subscribed	Last Dividend	*Loans to Directors and firms of which they are Partners	Average Notes and Deposits with Bank of Can.	Greatest Amount of Notes in Circ.
	$	$	%	$	$	$
Montreal	50,000,000	36,000,000	8	382,841	87,612,211	17,491,880
Nova Scotia	15,000,000	12,000,000	12	2,424,471	29,460,000	6,211,046
Toronto	10,000,000	6,000,000	10	494,630	16,598,647	3,037,784
Provinciale	5,000,000	4,000,000	6	165,177	6,869,303	2,072,045
Commerce	50,000,000	30,000,000	8	1,013,340	58,759,451	14,575,899
Royal	50,000,000	35,000,000	8	1,147,717	73,315,000	19,755,388
Dominion	10,000,000	7,000,000	10	467,718	14,507,484	3,137,196
Nationale	10,000,000	7,000,000	8	160,796	13,762,673	3,575,013
Imperial	10,000,000	7,000,000	10	517,717	14,526,483	3,489,580
Barclays (Canada)	1,500,000	1,500,000		18,583	1,312,563	641,545
Total	211,500,000	145,500,000	......	6,797,990	316,723,815	73,987,355

▲Of this amount, $50,867,588 represents deposits in Canada in currencies other than Canadian. *And loans for which they are guarantors.

ASSETS

NAME OF BANK	Gold and Subsidiary Coin Held in Canada	Gold and Subsidiary Coin Held Elsewhere	Notes of Bank of Canada	Deposits with Bank of Canada	Notes of Other Banks	Govt. and Bank Notes other than Canadian	Cheques on other banks	Balances due by other banks in Canada	Due by banks in U.K.	Due by banks elsewhere
	$	$	$	$	$	$	$	$	$	$
Montreal*	1,880,563	78,051	22,465,596	53,814,563	646,165	465,823	32,714,811	23,459	5,192,388	28,548,957
Nova Scotia	445,853	957,997	6,987,612	20,595,628	195,795	6,797,622	9,529,748	......	8,705,391	13,943,264
Toronto	317,549	......	4,286,455	13,911,824	90,900	56,121	5,856,892	......	225,366	2,729,190
Provinciale	297,268		1,899,608	3,536,281	72,635	45,632	2,430,111	9,689	889	698,231
Commerce†	1,185,504	177,949	15,055,905	37,679,275	264,435	2,073,892	21,544,752	......	5,863,453	20,121,992
Royal	1,896,654	1,869,177	23,532,059	44,805,026	639,751	20,062,838	37,982,039	3,147	14,023,161	45,685,918
Dominion	319,886	163	2,694,796	11,941,464	152,175	101,747	4,751,686	......	3,516,934	4,727,355
Nationale	697,512	......	5,345,414	6,106,652	140,780	49,646	5,987,746	1,475,985	34,666	1,592,318
Imperial	443,480	......	5,446,633	6,992,442	167,590	68,293	8,146,736	659,112	272,562	5,369,201
Barclays (Can.)	5,604	......	68,548	1,210,853	3,415	1,309	389,641	1,282,195	1,938,693	3,238,544
Total	7,489,873	3,093,336	87,782,626	200,593,408	2,373,641	29,722,923	129,334,162	3,453,587	39,573,501	126,654,970

NAME OF BANK	Govt. sec. short term	Govt. sec. long term	Canadian municipal securities	Public sec. other than Can.	Other bonds and stocks	Call and short loans in Canada	Call and short loans elsewhere	Current loans in Canada	Current loans elsewhere
	$	$	$	$	$	$	$	$	$
Montreal*	298,435,303	219,109,443	16,895,209	28,074,476	23,975,854	2,242,399	13,756,773	221,420,968	24,005,013
Nova Scotia	63,566,990	61,041,825	10,498,468	2,330,982	9,371,542	3,079,904	425,264	102,059,386	14,303,312
Toronto	42,616,043	39,618,625	2,460,755	......	3,500,131	1,497,955	......	58,581,168	......
Provinciale	11,606,604	7,540,229	10,378,817	......	1,379,742	2,895,086		13,619,326	
Commerce†	132,451,928	155,413,952	7,764,264	28,556,477	13,451,219	8,670,227	12,068,508	229,888,359	17,612,917
Royal	260,656,513	171,036,473	7,756,802	16,079,978	30,479,781	4,999,867	15,702,339	219,594,325	81,382,423
Dominion	30,205,920	19,744,291	1,550,975	222,500	1,466,500	1,392,938	1,892,320	74,021,037	451,139
Nationale	40,111,066	22,628,216	14,686,373	12,388	3,940,442	3,049,906	......	51,187,709	......
Imperial	45,358,937	41,593,940	6,157,380	......	56,772	2,701,413	......	78,709,526	......
Barclays (Can.)	4,738,364	7,028,692	1,000	25,000	......	179,625	......	3,775,376	......
Total	929,747,668	744,755,686	78,150,043	75,301,801	87,621,983	30,709,320	43,845,204	1,052,857,980	137,754,804

NAME OF BANK	Loans to provincial governments	Loans to municipalities	Non-Current loans	Real estate other than Bank premises	Mortgages on real estate	Bank Premises	Deposit for note circulation	Other assets	Total assets▲
	$	$	$	$	$	$	$	$	$
Montreal*	1,359,485	24,503,158	853,891	439,207	450,295	13,900,000	1,015,765	1,908,749	1,055,538,529
Nova Scotia	334,705	2,384,306	383,259	......	82,433	6,037,327	427,705	2,310,645	379,887,893
Toronto	......	2,340,265	60,209	......	8,529	3,194,198	175,559	......	184,108,449
Provinciale	14,911	2,024,675	74,025	421,026	278,935	2,064,030	129,913	149,068	61,710,163
Commerce†	4,470,091	10,718,899	1,198,331	2,267,183	944,690	13,965,576	852,000	4,443,665	778,663,113
Royal	1,607,531	15,033,802	1,573,946	1,756,039	677,626	14,227,741	1,200,000	4,179,398	1,074,320,495
Dominion	639,636	412,979	147,840	23,789	34,282	5,386,945	220,797	204,660	168,939,683
Nationale	301,735	5,640,895	174,036	1,539,632	639,224	4,758,414	215,611	246,753	171,012,673
Imperial	396,268	3,283,408	209,007	48,188	214,091	5,609,551	233,771	......	215,570,347
Barclays (Can.)	......	......	4,841	......	......	442,411	23,751	......	25,320,004
Total	9,124,362	66,342,387	4,679,385	6,495,064	3,330,105	69,586,193	4,494,872	13,442,938	4,113,071,349

*The business of the Bank in San Francisco, U.S.A., is carried on under the name of a locally incorporated company and the figures are incorporated in the above statement.—Footnote to Bank of Montreal return.

†The Canadian Bank of Commerce (California) has been incorporated under the laws of the State of California to conduct the business of the Bank in that State and the assets and liabilities of the Canadian Bank of Commerce (California) are included in the above general statement.—Footnote to Canadian Bank of Commerce return.

▲Total assets include $124,759,412 letters of credit outstanding as shown in liabilities.

Bank Deposits Show Good Rise

Savings Accounts Higher When Loan Drive Starts

The monthly statement of the chartered banks to the Minister of Finance as at Jan. 31, 1942, shows: Substantial increases in savings deposits over previous months and last year. Demand deposits lower than a month ago but higher than in 1941. Current loans below month previous but higher than year ago.

The increase in savings deposits over the previous month was $51 millions, while compared with Jan. 31 in 1941 an increase of $52 millions is seen. The January rise brought these deposits to $1.7 billions, well above the $1,695 millions shown at the end of May, just previous to the issue of the first Victory loan last year.

Withdrawals for Loan

In June 1941, largely owing to withdrawals to invest in the Victory Loan savings deposits dropped $228 millions. The figures for January therefore indicate that in the seven months since June 30, Canadians have saved and deposited in the banks more than the $228 millions withdrawn for investment.

This achievement not only reflects the increase in the income of the Canadian people at large but also that they are saving much of their larger earnings, and lending them to the government. These savings by being loaned rather than spent are an important factor in the battle against inflation. The January rise in savings deposits meant a full reservoir of savings to be drawn on for the Victory Loan campaign just closed.

The rise in savings deposits in January was accompanied by a decline in demand deposits. These are the deposits used mainly in business subject to immediate withdrawal. It is believed that possibly the drop in January was due to business firms making income tax payments. Foreign deposits generally were lower for the month but higher for the year.

Current Loans Down

Loans on current account which are the loans to business were lower than in the previous month but higher than a year ago. The decline from December is a contra seasonal one. In some quarters it is ascribed to the changes in the national economy by which a large part of the industry of the country has been diverted to war purposes. Under these conditions the need for bank credit is not as large as it had been. In addition there has been less demand for credit for construction.

Call loans in Canada were down on both the month and the year. Continuing lack of speculative activity has resulted in a decline in this class of loans. Loans to the provinces and municipalities again were lower. This downward trend reflects the improved tax collections which makes these bodies more independent of bank loans.

With deposits increasing more rapidly than loans The Financial Post credit index, which is the ratio of current and call loans in Canada to demand and savings deposits declined on both the month and the year.

Use of Bank Credits
(In Millions of Dollars)

	January 1942	December 1941	Change	January 1941	Change
Loans	1,159.0	1,201.1	−42.1	1,128.2	+30.8
Investments	1,915.6	1,759.2	+156.4	1,677.2	+238.4
Total	3,074.6	2,960.3	+114.3	2,805.4	+269.2
Deposits	2,937.6	2,937.5	+0.1	2,677.3	+260.3
Credit index*	36.8%	37.9%	−1.1%	38.6%	−1.8%

*Ratio of current and call loans in Canada to demand and savings deposits in Canada.

ASSETS

	January 1942	December 1941	Change	January 1941	Change
	$	$	$	$	$
Immediately Available Liquid Assets					
Canadian coin	7,489,873	7,225,491	+264,382	7,553,324	−63,451
Bk. of Can. notes	87,782,626	116,345,699	−28,563,073	78,771,417	+9,011,209
Bk. of Can. depos.	200,593,408	232,031,085	−31,437,677	225,551,602	−24,958,194
Bank's cash	295,865,907	355,602,275	−59,736,368	311,876,343	−16,010,436
Other bank's notes	2,373,641	2,646,499	−272,858	2,351,069	+22,572
Gold, sub. coin abd.	3,093,336	3,166,680	−73,344	3,395,190	−301,854
Foreign banks	166,228,471	173,788,950	−7,560,479	179,281,159	−13,052,688
Foreign curr.	29,722,923	31,067,254	−1,344,331	29,179,535	+543,388
Gov. sec. short term	929,747,668	792,655,363	+137,092,305	706,147,347	+223,600,321
Do., long term	744,755,686	723,274,221	+21,481,465	727,642,860	+17,112,826
Call loans abroad	43,845,204	47,646,830	−3,801,626	38,396,972	+5,448,232
	2,215,632,836	2,129,848,072	+85,784,764	1,998,270,475	+217,362,361
Loans and Securities Other Than Those of Canadian Government					
Municipal secs.	78,150,043	79,186,134	−1,036,091	91,791,818	−13,641,775
Public secs.†	75,301,801	75,159,966	+141,835	53,175,638	+22,126,163
Other secs.	87,621,983	88,953,409	−1,331,426	98,452,967	−10,830,984
Can. call loans	30,709,320	31,860,588	−1,151,268	35,828,880	−5,119,560
Current loans	1,052,857,980	1,083,701,002	−30,843,022	998,650,175	+54,207,805
Loans abroad	137,754,804	136,210,337	+1,544,467	131,108,031	+6,646,773
Prov. loans	9,124,362	15,036,341	−5,911,979	11,075,436	−1,951,074
Mun. loans	66,342,387	70,526,467	−4,184,080	82,603,240	−16,260,853
	1,537,862,680	1,580,634,244	−42,771,564	1,502,686,185	+35,176,495
Other Assets					
Non-current loans	4,679,385	4,596,594	+82,791	5,892,347	−1,212,962
Real estate	6,495,064	6,489,938	+5,126	7,216,907	−721,843
Mortgages	3,330,105	3,381,901	−51,796	3,555,292	−225,187
Premises	69,586,193	69,388,155	+198,038	70,716,778	−1,130,585
Letters of credit	124,759,412	123,512,114	+1,247,298	69,907,357	+54,852,055
Loans to comp.	11,215,401	10,846,836	+368,565	11,068,576	+146,825
Other assets	2,227,652	1,928,153	+299,499	2,193,007	+34,645
	222,293,212	220,143,691	+2,149,521	170,550,264	+51,742,948
Total	3,975,788,728	3,930,626,007	+45,162,721	3,671,506,924	+304,281,804
Note circ. dep.	4,494,872	4,491,508	+3,364	4,837,050	−342,178
Int. bank bal.	132,787,749	201,482,716	−68,694,967	126,051,198	+6,736,551
Gross	4,113,071,349	4,136,600,231	−23,528,882	3,802,395,172	+310,676,177

LIABILITIES

	January 1942	December 1941	Change	January 1941	Change
To the Public					
Circulation	73,612,300	73,204,656	+407,644	81,456,155	−7,843,855
Dom. Govt.	99,946,692	114,174,310	−14,227,618	128,429,198	−28,482,506
Prov. Govt.	58,874,069	52,832,857	+6,041,212	66,920,339	−8,046,270
Deposits by Public					
Demand dep.	1,217,143,619	1,268,471,475	−51,327,856	1,009,223,202	+207,920,417
Savings dep.	1,720,435,653	1,669,032,146	+51,403,507	1,668,130,415	+52,305,238
Total	2,937,579,272	2,937,503,621	+75,651	2,677,353,617	+260,225,655
Foreign dep.	448,572,294	462,044,432	−13,472,138	409,859,602	+38,712,692
Due to Banks Abroad, Etc.					
United Kingdom	21,246,851	19,164,019	+2,082,832	26,294,134	−5,047,283
Foreign	31,295,693	34,255,324	−2,959,631	27,740,684	+3,555,009
Bills payable	10,826	9,842	+984	11,575	−749
Letters of credit	124,759,412	123,512,114	+1,247,298	69,907,357	+54,852,055
Other liabs.	8,630,751	8,322,128	+308,623	6,666,913	+1,963,838
Total pub. liabs.	3,804,528,160	3,825,023,303	−20,495,143	3,494,639,574	+309,888,586
Due bet. banks	10,667,312	13,951,324	−3,284,012	10,443,455	+223,857
Liability to Shareholders					
Dividends	2,085,995	1,489,177	+596,818	2,793,352	−707,357
Reserve	134,750,000	134,750,000	....	133,750,000	+1,000,000
Capital	145,500,000	145,500,000	....	145,500,000	....
Gross	4,097,531,467	4,120,713,804	−23,182,337	3,787,126,381	+310,405,086

†Other than Canadian.

Windsor, Essex To Get 6.7%

Liquidation Proceeds and Further Assets Still To Be Sold

Windsor, Essex & Lake Shore Electric Railway Association certificate holders are informed by the Guaranty Trust Co. of Canada, Windsor, that a dividend of 6.7% is being distributed, bringing total dividend distribution to date to 84.7% of face value.

City of Windsor debentures and those of the townships of Sandwich East and West are more important assets to be liquidated and should provide a considerable sum of money. The protective committee and the trustee have agreed that the time is not opportune to sell these debentures as further appreciation is hoped. Real estate on hand will be sold as soon as a reasonable price can be obtained.

At March 2, 1942, the Guaranty Trust held $9,384 in cash after distributing $780,000 under a court order of Jan. 7, 1941. It had also realized $57,983 from the sale of $93,906 of Essex 3¾% debentures, due Dec. 31, 1980, at 78. It is this cash which is to be distributed in the current interim dividend.

Unrealized assets include $297,260 Windsor 3¾% debentures, due 1975; $51,710 Sandwich East debentures, due 1959; $50,600 Sandwich West debentures, due 1959. Real estate is estimated to produce $2,500.

Newmarket in 1941 paid off $26,378 of its debentures, leaving a balance of $169,940, the lowest debenture debt in 19 years. Tax arrears now stand at $31,683. The town achieved a surplus of $1,572 in 1941.

Vancouver had an operating surplus of $176,308 in 1941, with expenditures of $14,413,057, comparing with revenues of $14,589,365. Civic income for 1942 is estimated at $14,676,966 and expenditures at $15,452,377.

Bank of Canada Assets Higher

Increases Shown in Sterling Exchange and Bond Holdings

Total assets of the Bank of Canada showed an increased of $61 millions in the week ended March 4. This expansion was accounted for partly by a rise of almost $30 millions in holdings of sterling and United States exchange and of $9 millions in investments. Miscellaneous assets rose $33 millions.

The increase in holdings of sterling probably reflected further aid for Britain, while the larger investments may have been in connection with the Victory loan. Expansion in miscellaneous assets would include cheques received on other banks but not yet cleared.

On the liability side deposits of the Dominion Government and the chartered banks were sharply higher. Note circulation also rose.

	Mar. 4 1942	Feb. 25 1942
	$	$
Liabilities		
Capital paid-up	5,000,000	5,000,000
Notes in circ.	496,863,003	490,356,233
Rest fund	5,585,705	5,585,705
Depos.: Dominion	73,970,168	26,813,454
Banks	242,467,299	230,249,893
Other	12,315,200	16,575,406
Total deposits	328,752,667	273,638,758
All other liabs.	9,174,070	9,643,725
Total liabs.	845,375,445	784,224,411
Assets		
In sterling & U. S.	392,593,850	363,668,850
Subsid. coin	393,224	397,155
Investments:		
Dom. gov. short	209,522,249	197,808,652
Other Dom. gov.	207,088,778	209,441,358
Total invest.	416,611,027	407,250,010
Premises	1,770,318	1,770,507
All other assets	34,007,026	11,137,889
Total assets	845,375,445	784,224,410

Toronto Stock Trades Down

Volume and Value Drops Sharply — Loans Hold Previous Levels

Toronto Stock Exchange reports 2.8 million shares traded in February, compared with 4.1 million in the same month of 1941, and 3.4 million in January this year. The value of transactions shows about the same trend with last month's total amounting to $4.8 millions, compared with $6.8 millions in Feb., 1941, and $5.8 millions in January this year.

All index figures computed by the Exchange showed a decline in February with the golds down 4.38 points and industrials 4.06. Base metals are down 3.27 on the month and western oils 0.67.

Borrowings of Toronto Stock Exchange members as at the end of Feb., 1942, totalled $8.5 millions, a decrease of $31,789 from January, but $165,815 higher than Feb., 1941. At the same time, quoted market value of all listed stocks as at Feb. 28 totalled $3,369 millions, a decrease of $166.6 millions from Jan. 31. Ratio of borrowings to quoted market values amounted to .25 of 1%, as compared with .24 of 1% at the end of January and .23 of 1% a year ago.

Gatineau Power Earnings Better

From Our Own Correspondent

MONTREAL—Gatineau Power Co.'s net earnings position in the first quarter of 1942 is expected to show improvement as a result of very good water conditions which have been experienced during the past few months.

Negotiations between the company and Ontario Hydro regarding the installation of an additional unit at Bryson are progressing slowly, but nothing definite has yet been concluded.

9.8% Increase In Bank Debits

Reflecting increased economic activity and a higher price level, bank debits, which are the amount of cheques cashed by Canadians at clearing house centres in January, showed a good increase over last year. The total of $3.2 billions was 9.8% higher than a year ago. Advances were recorded in all five economic areas. Gains per cent were as follows: Maritimes 6, Quebec 20.4; Ontario 3.8; Prairies 11.4 and British Columbia 11.3.

Compared with December, after seasonal adjustment, a decline of 1.6% is seen.

Debits to Individual Accounts
Millions of $

	1942 Jan.	1941 Dec.	1941 Jan.
Maritimes—			
Halifax	40.6	51.8	41.4
Moncton	14.9	15.8	11.5
Saint John	21.6	22.3	19.9
Total	77.1	89.9	72.8
Quebec—			
Montreal	841.4	978.1	699.9
Quebec	88.7	98.9	72.3
Sherbrooke	9.7	10.3	8.0
Total	939.8	1,087.4	780.3
Ontario—			
Brantford	14.7	16.4	12.2
Chatham	11.2	13.5	8.3
Fort William	9.6	10.4	6.6
Hamilton	103.5	102.9	80.8
Kingston	10.3	11.1	8.2
Kitchener	18.5	21.0	15.8
London	44.4	44.7	41.8
Ottawa	341.6	342.1	248.6
Peterborough	11.7	11.9	8.3
St. Catharines	17.5	19.2	...
Sarnia	9.9	10.3	9.2
Sudbury	8.6	8.6	7.3
Toronto	844.0	992.9	960.5
Windsor	71.5	76.0	54.7
Total	1,517.5	1,681.5	1,462.6
Prairies—			
Brandon	4.6	5.6	3.2
Calgary	78.3	87.2	72.9
Edmonton	54.4	58.9	51.5
Lethbridge	5.9	7.0	4.6
Medicine Hat	3.0	4.2	2.8
Moose Jaw	8.7	10.2	6.6
Prince Albert	4.2	4.8	3.3
Regina	42.3	45.4	41.5
Saskatoon	13.1	15.8	11.4
Winnipeg	285.2	380.1	250.9
Total	499.8	619.4	448.8
British Columbia—			
New W'minster	9.7	10.5	7.4
Vancouver	154.5	166.2	138.6
Victoria	32.3	31.5	30.4
Total	196.5	208.2	176.5
Total for Can.	3,230.8	3,686.5	2,941.1

Gustafson Heads Brantford Coach

G. H. Gustafson, civil engineer, with wide experience in manufacturing, has been appointed general manager of Brantford Coach & Body Ltd. Since the outbreak of the war he has been in charge of inspection of body-building for the United Kingdom and Canada.

He was born in Sweden, where he attended the Vasteras Technical School, Royal Military Academy, and the Stockholm University, graduating as civil engineer. In 1923 he came to Canada as engineer on mill construction with the Port Alfred Pulp & Paper Co. In 1932 he joined the Donnacona Paper Co. as chief engineer in charge of operations, labor and supplies, and in 1938 became a member of the staff of Canadian Pulp and Paper Association, specializing in mechanical transport problems.

Company Reports

London-Canadian

London - Canadian Investment Corp.'s financial statement for 1941 shows gross income of $279,601, against $293,074 the year before. After all charges, net profits totalled $49,855 or $1.69 a share on the preferred. This contrasts with $34,046 or $1.11 a share on the preferred in 1940.

Book value of investments remains much the same, while the market value declined during the year from $4,964,115 to $4,706,828. Bonded debt was reduced $34,000 to $3,696,500, while 100 shares of preferred stock were retired.

Income and Surplus Account
Years Ended Dec. 31

	1941	1940
	$	$
Gross income	279,601	293,074
Less: Carrying chgs.	10,172	10,272
U. S. exchange	1,119	......
General expenses	20,141	19,595
Directors' fees	8,750	8,750
Misc. expenses	1,980	1,618
Registrar fees, etc.	942	941
Taxes	1,695	2,111
Interest	184,944	187,735
Income taxes	......	28,005
Net revenue	49,855	34,046
Previous surplus	743,824	697,212
Add: Tax adjust.	2,958	12,566
Surplus forward	796,638	743,824

Investment Distribution

	1941	1940
	%	%
Canada	37.40	36.21
Other British Empire	12.26	9.90
United States	42.27	48.07
Foreign	8.07	5.82

Celtic Knitting

Labor difficulties and inadequate supplies of raw materials combined to reduce Celtic Knitting Co.'s profits in 1941 to $38,814, compared with $45,249 the year before. Net profit of $6,814 was equal to 25 cents a share on the capital stock, as against $12,361, or 46 cents a share, in 1940.

The balance sheet reflects an improvement in net working capital position. Bank loans were somewhat higher, as was also the case with accounts receivable and inventories of raw materials.

Income and Surplus Account
Years Ended Dec. 31

	1941	1940
	$	$
Gross income	38,814	45,249
Less: Exec. salaries	8,100	7,986
Depreciation	22,528	21,294
Loss on sec.	25	......
Tax provision	1,347	3,608
Surplus	6,814	12,361
Previous surplus	25,035	13,018
Less: Add. 1940 tax	2,545	421
Add: Bad debts rec.	......	77
Surplus forward	29,304	25,035
Earned per Share	$0.25	$0.46

Working Capital

	$	$
Current assets	213,625	158,075
Current liabilities	112,934	73,303
Working capital	100,691	84,772

Balance Sheet Changes

	1941	1940
	$	$
Accts. receivable	68,850	44,371
Raw materials	39,546	25,158
Bank loans	70,000	51,200

Burlington Steel

H. J. Stambaugh, president of Burlington Steel Co., reports that volume of business in 1941 was largest in the company's history. This more than offset increased labor costs, heavy importations of U. S. scrap at prices above the Canadian market and higher costs of practically all necessary supplies. Heavy war demands curtailed sales of some of the company's more profitable products.

Capacity operation of the plant has continued into this year, it is stated, with an increasingly large proportion of output going to most essential war uses. With demand growing daily, Mr. Stambaugh tells shareholders that plant should be fully employed this year, subject to ability to get necessary raw materials.

Balance sheet shows moderate improvement in working capital. Cash at $158,708 is up about $100,000, while investments at $193,575 are up about $30,000. Market value of investments is $200,461. Inventories at $697,020 are up about $50,000.

Income and Surplus Account
Years Ended Dec. 31

	1941	1940
	$	$
Operating profit	323,643	264,540
Add: Other income	6,295	5,994
Less: Depreciation	42,000	42,000
Life ins. prem. (net)	3,608	2,820
Income & E. P. taxes	133,000	95,000
Net profit	151,330	130,714
Less: Dividends	84,000	84,000
Surplus for year	67,330	46,714
Add: Prev. surplus	406,808	367,824
Tax adjustments	4,886	*7,730
Surplus forward	479,024	406,808

*Credit item on 1939 taxes.

	1941	1940
Earned per share:	$1.08	$0.93
Paid	0.60	0.60
Shares o/s, n.p.v.	140,000	140,000

Working Capital

	$	$
Current assets	1,398,663	1,171,265
Current liabilities	362,644	236,713
Working capital	1,036,019	934,552

National Biscuit

National Biscuit Co. reports gross sales of $119.6 millions in 1941 against $103.7 millions for 1940. Net profits are somewhat lower, being equivalent to $1.43 a share on the common for last year compared with $1.50 a year ago.

The company's foreign investments at the close of 1941 amounted to $5.5 millions, a few thousand dollars above the 1940 level. These investments are in Canada (Christie, Brown Co.) and England. Cash funds are withdrawn according to current earnings and in compliance with exchange regulations. Both sales volume and gross earnings of foreign subsidiaries were larger last year. Net earnings, however, were below the previous year because of higher taxes. Net of foreign subsidiaries was 8% of the company's total net.

Consol. Income and Surplus Account
Years Ended Dec. 31

	1941	1940
	$	$
Earnings:		
From operations	22,288,791	19,295,371
Other income	172,810	143,413
Total earnings	22,461,601	19,438,784
Less: Depreciation	3,250,161	3,166,791
Inc. & E. P. taxes	8,311,639	4,776,082
Foreign exch. adj.	167,663	347,085
Net profit	10,732,137	11,148,826
Less dividends:		
Preferred	1,736,315	1,736,161
Common	10,063,117	10,059,516
Deficit for year	1,067,295	646,851
Add: Assets w/o	400,000	400,000
Less: Prev. surplus	12,508,404	13,555,255
Earned surplus fwd.	11,041,109	12,508,404
Earned per share:		
Preferred	$43.10	$44.95
Paid	7.00	7.00
Common	1.43	1.50
Paid	1.60	1.60
Shares o/s:		
Preferred, $100 par	248,045	248,045
Common, $10 par	6,289,448	6,289,448

Working Capital

	$	$
Current assets	48,827,734	45,752,763
Current liabilities	14,731,614	11,114,793
Working capital	34,096,120	34,637,970

TWENTY-SECOND ANNUAL REPORT
TO THE SHAREHOLDERS OF
DOMINION STORES LIMITED

HEREIN is presented for your information the report of the operations of your company for the year 1941, together with the Balance Sheet, Statement of Income and Expenditure and Statement of Surplus Account.

During the year additional wartime restrictions created new situations affecting the conduct of the business, many of which were difficult of solution. Further progress, however, has been made in modernization of stores, in efficiency of operation, in sales development and in net results.

PROFITS

Operating profit for 1941 was $507,180.31 as compared with $324,015.99 in 1940. Net income for the year, before income taxes but after all other charges including depreciation at $126,220.65, was $300,873.42 compared with $157,668.73 for 1940. Net profit, after providing for Dominion income and excess profits taxes at the rate of 40%, was $170,067.42. The Surplus Account, after certain adjustments as shown in Statement No. 3, now stands at $207,135.66.

As indicated in the report covering 1940 operations, an application has been made under the Excess Profits Tax Act, to have our standard profits computed on the basis of capital employed, rather than by reference to earnings during the standard period 1936 to 1939 which, in accordance with the Act, would not be just, because our business, for reasons peculiar to itself, was then abnormally depressed. While, at the moment, no decision has been rendered, it is expected that the Company's application will be successful and on that assumption we consider that the amount of $130,806.00 provided for total Dominion income and excess profits taxes, as against $56,850.00 in 1940, amply meets the requirements.

FINANCES

After substantial outlays covering the opening of new self-service "Master Markets" in Ontario, Quebec, New Brunswick, and Nova Scotia, and constructing a new warehouse in Montreal, working capital was $2,129,316.20 as of December 31st, 1941. The ratio of current assets to current liabilities was 3.39 to 1.

The net worth of your company at December 31st, 1941, was $3,307,475.62, equal to $11.81 per share, of which $7.60 is represented in net working capital.

Additional fire insurance coverage has made possible the elimination of fire loss reserve of $15,000.00.

SALES

Sales for the year 1941 were $21,032,783.15 compared with $18,120,945.10 in 1940, an increase of 16.07%. During 1941 we operated 43 grocery units and 17 meat units less than in 1940. Average sales per store increased 31.32% for the year.

OPERATIONS

At the end of the year we had 70 self-service units and 211 service units, making a total of 281 stores in operation. We opened 18 new stores and closed 61 during 1941. The modernization programme was continued until restrictions due to the war made it necessary to postpone temporarily the Company's plans.

A new modern warehouse with railroad trackage was built during the year on Cote des Neiges at Bedford Road, Montreal, and is now in operation. The lack of trackage accommodation and proper warehouse facilities in Toronto and Montreal have long been a serious handicap to economical conduct of your company's business. In the elimination of this handicap at Montreal we were fortunate in being able to negotiate a satisfactory sale of our old warehouse at 995 Smith Street.

We are confident that these improvements will continue to promote efficiency in the operation and in service to our customers.

Total operating expenses increased in 1941 as compared with 1940 by reason of greater volume of sales, increased wages and enhanced costs generally in wartime. However, the percentage of operating expense to sales decreased materially.

These expenses include not only all costs of operating the business but also all charges incurred through the opening and closing of stores. These charges in respect to the stores affected are naturally of a non-recurring nature.

PERSONNEL

It is a privilege to acknowledge the loyal support and zealous co-operation of the staff in these trying days. The past year has provided increasing evidence of the further development of that esprit de corps so necessary in the happy conduct of a public business.

During 1941 we were able to institute further improvements in working conditions for our employees in shorter hours, vacation allowances and increased wages within the limits of the National War Labour Board regulations.

Our Group Insurance Plan, which has been in force for several years, has been extended to include all classifications of regular employees. To those who were insured under the original Group Plan and employed on December 31st, 1941, additional hospitalization and surgical benefits have been granted at no additional cost to the employees.

During the year 81 employees joined the Active Forces, bringing the total to 172 since the beginning of the war. Of these loyal Canadians we are justly proud.

Service pins were presented to employees in 1941 as follows:

20 years' service — 10
15 " " — 14
10 " " — 44
5 " " — 41

Our employees value these pins highly. The Company in turn values this indication of stability in the organization.

GROWER RELATIONS

In line with your Company's desire to co-operate in a tangible way with primary producers, a Director of Grower Relations has been appointed. His responsibility includes the study of growers' problems in production and distribution. It is our belief that this service will prove an effective means of improving the production and distribution of the products of the soil and consequently the quality of those products when offered to the consumer.

PRICE CONTROL

On November 15th, 1941, your Company "pegged" its retail prices in all stores in accordance with The Wartime Prices and Trade Board regulations which later became effective on December 1st, 1941. By this action as well as in the daily operation of the business and by supplying executive assistance in developing administration of price control, we have tried to co-operate fully with the Government in its attempt to curb inflation.

Obviously price ceilings bring new difficulties seriously affecting the Company's business. The ultimate effect of such control on the retail food business and particularly on net results in your Company cannot be determined at this time. In the meantime we shall endeavour to continue giving the Government our active co-operation, feeling confident that, as a result of mutual consideration, all difficulties will eventually be adjusted to a practical basis. It is well to point out, however, that the problems in our type of business are most serious and it will require all the experience and ingenuity available to operate successfully under present conditions.

While we realize fully the difficulties we face in days fraught with events of such magnitude, both national and international, we shall endeavour to so conduct the Company's affairs as to render a satisfactory service to our customers and discharge our responsibilities to them, our employees and our shareholders.

On behalf of the Board of Directors,
J. WILLIAM HORSEY,
President.

Comparative Balance Sheet

ASSETS	31st December 1941	31st December 1940
Current:		
Cash on Hand and on Deposit	$ 909,837.97	$ 511,841.61
Call Loans and Deposit with a Trust Company	....	175,000.00
Dominion of Canada War Loan Bonds	2,468.75	150,593.75
Accounts Receivable (Less Reserve for Bad Debts)	123,000.72	119,935.76
Merchandise	1,905,280.35	1,730,789.23
TOTAL CURRENT ASSETS	$2,940,587.79	$2,688,160.35
Deferred Charges and Prepaid Expenses	81,307.13	66,332.30
Mortgages Receivable	80,200.00	3,000.00
Buildings, Land, and Fixtures (Less Depreciation Reserves)	1,097,958.42*	945,824.66
Goodwill	1.00	1.00
	$4,200,054.34	$3,703,318.31

LIABILITIES	1941	1940
Current:		
Accounts Payable and Accrued Charges	$ 738,393.22	$ 442,422.67
Taxes Payable and Accrued (Excepting Income Taxes)	17,497.41	32,363.05
Provision for Income Taxes	63,320.54	37,400.00
Provision for Excess Profits Tax	73,367.55	19,450.00
TOTAL CURRENT LIABILITIES	$ 892,578.72	$ 531,635.72
Reserve for Future Fire Losses	....	15,000.00
Capital Stock	3,100,339.96	3,100,339.96
Surplus	207,135.66	56,342.63
	$4,200,054.34	$3,703,318.31

Comparative Statement
of Income and Expenditure and Surplus

	Year Ended 31st December 1941	Year Ended 31st December 1940
Sales	$21,032,783.15	$18,120,945.10
Cost of Sales, Selling and Administrative Expenses	18,361,302.61	15,742,518.28
Wages and Salaries, Other Than Executive	2,106,034.23	1,975,026.30
Taxes and Licenses (excepting Income Taxes)	58,266.00	79,384.53
	$20,525,602.84	$17,796,929.11
Operating Profit	$ 507,180.31	$ 324,015.99
Add: Interest Earned	11,051.41	7,676.26
	$ 518,231.72	$ 331,692.25
Deduct:		
Provision for Depreciation of Fixed Assets	$ 126,220.65	$ 115,551.28
Executive Salaries	54,661.34	49,400.68
Directors' Fees	1,260.00	1,440.00
Provision for Possible Additional Compensation to Employees	28,062.00	....
Legal Fees	7,154.31	7,631.56
	217,358.30	174,023.52
Profit Before Provision for Income Taxes	$ 300,873.42	$ 157,668.73
Provision for Dominion Income and Excess Profits Taxes	130,806.00	56,850.00
Net Profit for Year	$ 170,067.42	$ 100,818.73
Surplus at End of Year	$ 207,135.66	$ 56,342.63

Wanted—250 Million Pounds of Fats

Conservation, Flax and Soya Beans May Beat the Jap Blockade

By W. BRUCE MACKINNON

With some 50% of normal sources cf imports of vegetable oils cut off, military and civilian wants rising, one of 1942's biggest problems in economic strategy is how to meet the fat shortage. Ingenuity, conservation and a vast flax programme may yet beat the threat brought by the Jap war.

Normal consumption of fats in Canada is estimated at around 450 million pounds, war has boosted the total to between 500 and 525 millions, with something like an extra 40 millions going in exports mainly to Newfoundland and the West Indies.

Imports—250,000,000 Lb.

About 250 million pounds annually of peacetime consumption consisted of imported oils, palm, olive, cotton seed, tallow, fish oils, cocoanut, etc. Some 125 million pounds went into shortening—25 millions to paints and 100 millions to soap. Now the figures have jumped to approximately 160.33 and 120 millions respectively. Our own output of vegetable oils has been around 60 million pounds, added to which there is a further crushing capacity of 80 million pounds in the new copra plant in British Columbia.

Actually, Canada should find domestic sources for the entire 250 million pounds imported, since the remaining sources of supply, principally the U.S., are also hit by loss of far Eastern imports.

The fat gap is being closed by three main programmes:—

(1) Conservation and prevention of fat wastage.

(2) New sources of domestic supply.

(3) Control of non-essential demand.

Brakes on consumer demand were applied last Dec. 15, when shortening makers were cut to 70% of previous consumption. Plan is by this and other steps to bring total Canadian demand back to around the 450 million mark.

Soap Gets Priority

But one big fat user, the soap industry, is not expected to be cut at all. We don't now get glycerine without making soap first, and glycerine is the backbone of some of our chief explosives, such as cordite and nitro-glycerine.

To fire our guns without using this element of common fats would mean revolutionizing our shell and gun types, because each type of explosive has special qualities, to which every part of the gun and shell has to be adapted.

Glycerine From Waste

Making soap, of a sort, is a relatively simple process. All you need is a tub of fat, some alkali such as potash, soda ash or caustic soda. Put the two together and the fats congeal and become soap.

The alkali solution is drained off, and in the process it has absorbed glycerol, the basic chemical for glycerine, which is present in all fats. The alkali-glycerol solution is allowed to settle and then the glycerol is distilled off.

It is this latter part of the process which is important to war production. Nothing revolts a skilled soap-maker more than the statement that the home soap-maker is helping the war effort by "conserving fats." Actually, making soap where there are no facilities to extract glycerol from the waste solutions is not very helpful. The precious glycerol goes down the drain, and the soap produced tends to narrow the market for soap made by the companies supplying the glycerine.

Up to now the soap-makers have been able to surmount most of their wartime problems with only minor difficulty. It has been possible to turn out enough glycerine without disproportionate expansion of soap production. Cutting out the use of glycerine for anti-freeze and in tobacco preparation has helped maintain the balance.

Inventories Dwindling

An aggressive policy of building up large inventories has been followed generally. In some cases these inventories mounted to peak levels. But in 1941, one soap-maker did not receive any shipments from the far East, between February and November. Some soap-makers have used the bulk of their stock-piles and will have to rely more heavily on animal fats.

Canada's soaring hog production will go part of the way toward meeting the fat shortage, but can't do more than soften the impact. J. G. Taggart, Food Administrator for WPTB stated recently that hog production would have to more than double to make up the deficit. As it is, the 1942 bacon agreement calls for a 40% increase over 1941. In addition, Britain is now taking more of the hog carcass than formerly, leaves less of the waste for boiling down into lard.

Current prospect is that the slack in fat requirements will have to be met largely by consumers. They may be rationed, may have to stop using the frying pan to some extent. But minimum dietary standards require no purchases of fats other than those obtainable in whole milk, butter and along with the meats consumed. So long as these fat sources are readily available, and the consumer can get enough starch foods, bread, potatoes and sugar, no major dietetic casualties are expected.

The enormous increase in Canada's nickel production between the outbreak of the previous war and this one is a propaganda angle which Great Britain is using in Portugal. This little poster, about post-card size, printed in bright colors and in the Portuguese language, is getting wide distribution.

Raising Production

Aside from rationing, several other avenues are opening up which may relieve the pinch on fats. Acreage of flax and soya beans is to be increased this year. The soya bean is not believed to hold a great deal of promise for Canada. The beans require more moisture than wheat, can probably be grown only in British Columbia, the Lethbridge irrigation area and southwestern Ontario. Moreover, successful cultivation on a large scale involves the development of suitable techniques, some of the difficulties which beset Canada's path in the development of the vast wheat-growing industry. Small quantities of a quick-maturing seed are available and may play a large part in raising Canadian output.

Flax to the Fore

More promising from the Canadian point of view is the growth of flax for seed. Much of the flax now grown in Canada is for seed.

From it comes linseed oil, now principally used for paints, but capable of substitution for other vegetable and animal fats in a variety of uses. Current plans call for raising Canada's flax output to 20 million bushels, against 6½ million bushels last year. At 19 lbs. of linseed oil per bushel of flax, the planned increase would produce nearly 250 million extra pounds of oil.

Possibility of substituting one fat for another is a major source of relief. For example, use of fish oils is increasing, has been adapted as a substitute for the China wood oil which used to go into paints. Linseed oil was formerly seldom used in soaps, except for liquid soaps, but can be adapted for soap and edible fats. Something the same development has taken place in the organic oils as has gone forward in petroleum, the refiners have been able to alter the basic characteristics of the oils by chemical hydrogenation processes.

Tropics the Best Source

But with all these steps, the best sources of vegetable oils will likely remain the tropical or semi-tropical countries for some years to come. Oils from the warmer countries are in general preferable because they tend to keep better, and demand less treatment for use in soaps and shortenings.

We may be able to continue getting some peanut oil from India, dependent of course on war and shipping, and there are tremendous possibilities in South America and Africa, both of which would take time and shipping to develop.

The United States, formerly a big source of cotton seed oil and corn oil may not be able to help much since the U. S. has been an even heavier importer from the far East than Canada. The United Kingdom, formerly the middleman in many shipments from empire sources, is now out of the picture, is actually a drain on Canadian supplies because Britain needs more fats from us.

The "White Hopes"

Still in the running to solve the fat shortage are two "white hopes"—the possibility that we can change our explosives over from glycerine types to alcohols and acids similar to those used by the Nazis, and the possibility of extracting glycerine by the fermentation of molasses or grains.

Both of these can be done, to a large extent the U. S. has already adopted the non-glycerine type of explosive. Glycerine has been taken out of crude petroleum in pilot plants. But either changeover would involve the building up of vast quantities of new and expensive equipment, would probably demand equally radical changes in gun and projectile design.

The range of possibilities of finding other fat sources is tremendous. For example, sunflower seeds, readily grown in Canada, are a prolific fat source. So is the common "stinkweed" which we have been trying to exterminate.

The big flax programme, expected to be announced with the new basic grain plans for Canada is by far the biggest single solution to the problem yet proposed. There will be difficulties to overcome—flax is notoriously unpredictable as regards yield, and farmers have been reluctant to undertake the risk of growing it so long as cheap oils were available by importation. Price adjustments and other incentives are expected to provide the solution.

T. C. A. Preparing For Alaska Run

From Our Own Correspondent

MONTREAL — Inauguration of the Alaska run by Trans-Canada Air Lines is dependent upon delivery of additional equipment and the training of flight crews, according to W. J. Dalby, acting general traffic manager. It is probable service will start sometime late this summer, or in the fall. The run will be operated via Edmonton.

T. C. A. also is making ready to expand operations to Newfoundland. Familiarization flights to the island colony will start about April 1 and regular passenger, air mail and express service May 1.

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Canadian Vickers

In view of the improved earning power of Canadian Vickers Ltd., can you tell me why this company has not resumed payment of interest on its bonds when its subsidiary, Montreal Dry Docks, has made several payments?

In the year ended Feb. 28, 1941, Canadian Vickers showed its bond interest fully covered after providing for depreciation and contingency reserves. The company did not pay any interest on its bonds in that year or subsequently for the reason that it is legally unable to do so while the bonds of its subsidiary, Montreal Dry Docks, were in default. The company, as you probably know, undertook to guarantee the subsidiary company's bonds. With the current payment of interest, arrears on Montreal Dry Dock's bonds have been liquidated and the way is now clear for Canadian Vickers to resume interest payments if, in the opinion of the directors, that is considered the best thing to do.

City of Lethbridge

Some information on the financial condition of Lethbridge, Alta., and what changes took place during 1941 would be appreciated.

Lethbridge is regarded as having high credit as a Prairie city. In 1941, the city carried on its financing without any reliance on bank borrowing, even for temporary debt. Tax collections amounted to 103% of the year's levy and a surplus of $34,000 was realized. Some $808,500 of debentures were retired mainly out of sinking fund during the year. Reduction of debt resulted in a drop in the total debt charges from $232,000 in 1940 to $220,970 in 1941 with a further drop to $182,180 for 1942 scheduled.

In 1941, population increased from 14,500 to 15,000 and the average assessment per capita rose from $679 to $690.

Wentworth Radio

In view of recent wartime restrictions what is the outlook for Wentworth Radio?

With the restrictions piling up on the sales of Wentworth Radio & Auto Supply Corp.'s products, the outlook for 1942 appears unfavorable. The restrictions on installment selling, followed by outright prohibition of further manufacture of radios would appear to strike at the root of company profits. There is some hope that small items of equipment and repair for radios, autos, refrigerators, etc., may enjoy a greater sale than last year owing to the impossibility of replacing cars and other durable goods and the consequent necessity of keeping them in good repair. Aside from this possibility, there does not appear to be much likelihood of Wentworth Radio and Auto Supply having good earnings in the present year.

Consolidated Paper

Would you be kind enough to let me have your opinion on Consolidated Paper bonds, 5½%, due 1961.

Consolidated Paper Corp. has been able to effect a marked strengthening of position in recent years, with the result the first mortgage 5½% bonds have improved marketwise. The financial statement for 1941, which is expected to make its appearance this month, will show further improvement. Between 1936 and 1940 the company converted an adverse working capital of nearly $3.5 millions into a favorable balance of over $12 millions. Bank loans running into several millions have been liquidated; underlying funded debt of subsidiaries has been wiped out, while the liquid position of the company has been greatly improved. The first mortgage bonds are now on a fixed interest basis and are regarded with some favor.

Standard Radio

Some information on the operations and position of Standard Radio would be appreciated.

Standard Radio Ltd. is the successor to Rogers Majestic Corp. Early in 1941 the former company sold its assets, except the bonds and shares of Rogers Radio Broadcasting Co. and the shares of Canadian Radio Artists Bureau Ltd., and changed its name to Standard Radio Ltd. This left the company owning radio station CFRB and short-wave station CFRX, Toronto. The reasons for the sale were given by the officials as difficulty in operating the appliance and radio manufacturing business at a profit. Average earnings of the broadcasting company over the past four years were $113,000 annually after depreciation but before taxes, whereas the assets sold showed an average loss of $38,000 annually.

Standard Radio has 200,000 class A shares and 15,000 class B shares outstanding. Quarterly dividends of 10 cents a share on both stocks were started in August of last year. An annual report for the full year of the broadcasting company alone is not available which makes it somewhat difficult to appraise its earning position. But from information given in connection with the sale of the manufacturing assets, the earnings appear to be substantial.

Your Income Tax

Deadline for income tax returns is March 31, a month earlier than usual. In this weekly column, The Financial Post answers the problems you may have in computing your tax.

Depletion Allowance

Would you please tell me what deductions I may make from my income tax for depletion in respect of dividends on oil and mining shares. The stocks I hold are Wright-Hargreaves, Union Gas, British American Oil and International Petroleum. Is the allowance the same for all?

You are allowed to deduct 20% from your dividends from Canadian producing oil, gas and mining companies before computing your income for income tax purposes. Deduction on non-Canadian producing mines is 20% and on non-Canadian oil companies 10%. Deductions you would be allowed on your different holdings would be: Wright-Hargreaves 20%; Union Gas, 20%; B.A. Oil nothing, International Petroleum 10%. The reason nothing is allowed on B.A. Oil it is understood is that this company has large distributing and refining operations which evidently rule it out from depletion allowance as a producing property.

National Defense Tax

I am a married man with no income tax to pay. But the income I have is from stocks and bonds. The companies paying the dividends and on the stocks deduct National Defense Tax from them. My income is a little over $600. Do I have to pay this tax?

If your income is less than $660 you do not have to pay National Defense Tax. As you have already had some tax deducted from your dividends, you had better make a return of your total income to the income tax department showing what your income is, and the amount that has been deducted. You can then claim a refund of the National Defense Tax paid.

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I am a doctor and use my motor car a great deal in my practice. Am I entitled to depreciation on the car and how much?

You are allowed depreciation of 20% on the cost of your motor car for five years. For 1940 and subsequent years it has been provided, however, that the maximum cost of motor car on which depreciation will be allowed is $1,800. The allowance is restricted to cars used in professional practice and does not apply to cars for personal use.

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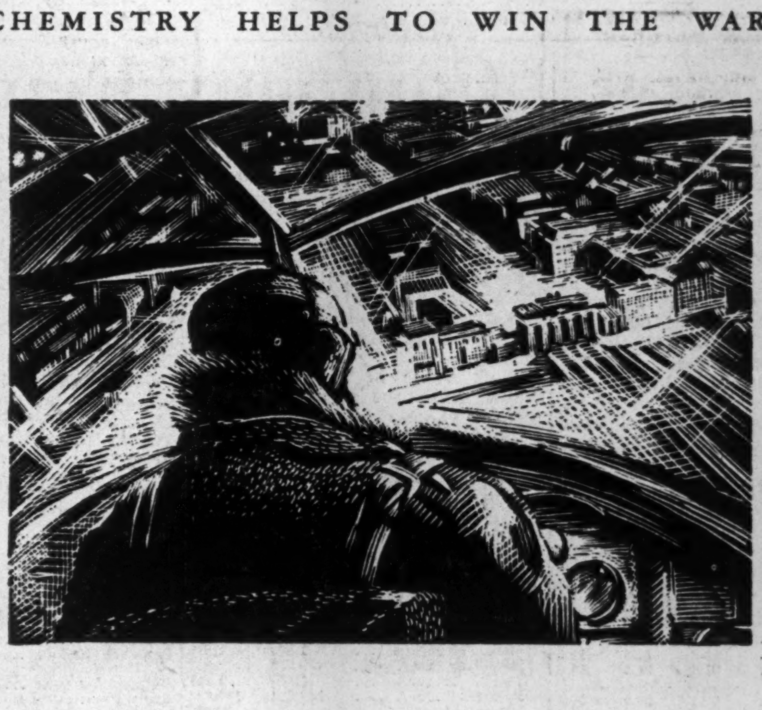

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C-I-L CANADIAN INDUSTRIES LIMITED

CANADIAN INDUSTRIES LIMITED

PA 202

Pulp and Paper Earnings Near Peak

Little Change Expected for 1942 With Expansion Balancing Declines

By JOHN E. LANGDON

MONTREAL.—Both gross and net earnings of Canadian pulp and paper manufacturers have about reached a peak.

During the past year, the majority of manufacturers were able to record further gains. In some instances, the increases were exceptionally good; beyond what had been anticipated. Others did little better than hold their position.

The improvement in earnings reported by the newsprint manufacturers could not have been foreseen at the beginning of the year. Costs were rising and tonnage remained much the same.

After the turn of mid-year, a large amount of business accrued to the newsprint operators in the way of kraft substitutes. The volume of this business handled during the closing months of the year was at the rate of 225,000 tons annually. The business was pooled so that all manufacturers benefitted.

As a result, the spare newsprint capacity of the manufacturers was almost wholly utilized. Overhead costs came down. The profit on the kraft substitutes was comparable to that on newsprint.

Net result was that the newsprint manufacturers had a better year in 1941 than was reported for 1940 and than could have been foreseen at the beginning of 1941.

In the case of fine paper and pulp manufacturers, they operated on an all-out basis throughout the twelve months. Marketing conditions were better than in 1940. Financial statements of this group reflected a comparatively sharp improvement in both gross and net income.

Situation is Tighter

No particular trouble was experienced in absorbing increased costs, while the gain in net revenue was more than sufficient to cover higher taxes.

Prospects for this year—at this stage—do not hold out promise of any material change in the earning power of the operators.

Price Increase Helpful

For newsprint, the most favorable factor at the moment is the practical certainty the price increase of $3 a ton on deliveries to the United States and effective at the beginning of next month, will be allowed by the U.S. Office of Price Administration.

This matter is now the subject of investigation by price control authorities in both the United States and Canada. Their decision is expected before the end of the month. A temporary stop-order has been given to the American newsprint industry by Leon Henderson, Price Administrator, but as far as the Canadian companies are concerned there is no change in their announced policy of putting the increase into effect.

The additional $3 a ton on business for the last three-quarters of the year is worth $3.30 a ton in Canadian funds to the operators.

Offsetting Factors

This advance by no means represents "gravy" to the manufacturers. It should be remembered this is the first increase since the beginning of 1938.

It does not require a cost accountant or an economist to say that the price of manufacturing and delivering newsprint paper has risen substantially in the last 52 months. The $5 a ton premium which came about at the beginning of the war with the depreciation of Canadian currency in relation to U. S. dollars, gave the industry a "cushion" upon which to take up the higher costs, but this has largely, if not completely, disappeared.

Substitute Paper Off

The other side of the balance sheet reveals a number of factors which can hardly be regarded as favorable.

From an annual rate of 225,000 tons, manufacture of kraft substitutes has dropped sharply and currently is around 115,000 tons. Because of the restrictions placed by the U. S. Government on inventories, it is possible this business may disappear before the end of the year.

With the drop in kraft substitute business and the releasing of capacity, overhead costs of the newsprint industry naturally have risen.

In addition there is little or no prospect of any increase in the demand for newsprint paper this year.

Tonnage Gain Doubtful

Some gains may be recorded in the United States, but the industry is not willing to bank on that happening. Again, the industry is reasonably convinced that overseas business will fall off. The urgent need of shipping space for materials of war makes it a foregone conclusion that newsprint and other products will not move as freely to foreign markets in 1942 as was the case in 1941.

The most authoritative opinion is that newsprint consumption for 1942 will not show an appreciable increase over the returns for 1941; in fact, may drop slightly.

May Limit Power

Another factor which must be kept in mind in considering the outlook for the newsprint industry is the possibility of the requisitioning of power now supplied to the mills for transference to war industries.

The newspaper industry in Ontario and Quebec uses huge blocks of energy. With the present tightness in the power supply and promise of even more stringency as the year advances, there is a better than even chance that the newsprint and other industries may be asked, if not told, to give up power for what are regarded as more essential needs.

Admittedly the newsprint industry in Ontario and Quebec can give up some fairly large blocks of power and still be in a position to meet all contract requirements for newsprint. If that is required the mills will perforce have to give up the manufacture of kraft substitutes.

Hold Up Earnings

Conditions change rapidly in this war and it would be foolhardy to attempt any long-term forecast. But at this stage, the prospects do not hold out any particular hope that the newsprint industry can add materially to its earning power in 1942.

It is important, however, this statement be considered in conjunction with the fact that the rate of earnings established by the newsprint industry in 1941 was considerably above average for recent years. If gross and net earnings can be maintained this year, the newsprint manufacturers will be in a very comfortable position.

Pulp Prospects Good

The factors which bear on the outlook for the newsprint industry apply only in small measure, or not at all, to other branches of the pulp and paper industry, such as fine papers and pulps.

Pulp operators will be hard pushed to meet the demand for their products in 1942. Restrictions on hoarding, etc., will tend to limit new orders, but there is little doubt that a market will exist for every ton of pulp that can be produced, especially for chemical pulps.

Last year the majority of pulp producers were at or near their effective capacity. A survey of production indicates the possibility of a slight rise in output this year, but, at the very outside, not more than 10%.

The price structure is expected to remain fairly constant throughout the year. There may be minor changes here and there for specialty grades, but over-all no major change is in prospect.

Against a possible moderate rise in production, the pulp operators will have to contend with some advance in costs; in the woods, in the mills, and in transportation of the "finished" product to the consumer.

Fine Papers Active

Fine paper manufacturers are in much the same box as the pulp producers—a ready market for all that can be produced. The Canadian industry now has to meet a share of the requirements of the British Empire market. In addition government demands have increased several-fold, added to which is the greatly increased consumption of paper products in civilian and wartime industries.

During the past year the fine paper manufacturers took steps to bring about a standardization of products, reduction in materials, used, etc. As a result the tonnage which this branch of the industry can make available in 1942 should be larger than in 1941.

Indications point to an increase in gross earnings for the current year. Higher costs will tend to absorb a large share of the gain in gross dollar income, but on balance, the manufacturers in this field should do better in 1942.

Other Fields Encouraging

Turning to other specialty fields, board, kraft papers, kraft liner, shipping containers, etc., there are no indications of any letdown in demand. Operations in this field have been on a capacity basis for many months past and the financial returns of the manufacturers should stand up well in the current year.

Taking the industry as a whole, prospects point to a maintenance of the present high earning power in the pulp and paper industry. In the pulp, fine papers and some of the specialty fields, higher earnings are likely as a result of operations in 1942. In the newsprint division, no major change is looked for.

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Canada's Power Use Establishes New Peak

From Our Own Correspondent

MONTREAL.—Demand for electrical energy continues at record levels. Output of central electric stations in January reached a new peak of 3,226 million kw.h. This contrasts with 3,220 million kw.h. in December and 2,635 million kw.h. in January, 1941.

Consumption of firm power showed increases over those of Jan., 1941, in each province, according to the Dominion Bureau of Statistics. Comparisons with Dec., 1941, data show decreases in Prince Edward Island, New Brunswick, Ontario, Saskatchewan and British Columbia, and increases in the other provinces, particularly in Quebec where the increase was 6.5%, and compared with Jan., 1941 consumption was up by 39.4%.

Less Secondary Power

Secondary power produced for use in Canada dropped from 337.2 million kw.h. in December to 295.1 million kw.h. last January.

Exports to the United States last January at 206.5 million kw.h. compare with 214.3 million kw.h. in December and 192.5 million kwh. in Jan., 1941. The increase over last year's exports was mostly secondary power, which advanced 73.8 million kw.h. in 1941 to 84.6 million kw.h. in 1942.

Comparative figures on the January output and consumption of firm power by provinces follow:

Production of Electrical Energy
(Thousands of Kilowatt Hours)
January

	1941	1940
P. E. I.	961	752
N. S.	45,478	40,241
N. B.	48,676	45,471
Que.	1,746,074	1,350,870
Ont.	909,119	815,051
Man.	160,791	122,915
Sask.	56,503	50,202
Alta.	33,403	26,911
B. C.	225,284	182,282
Total	3,226,289	2,634,695

Consumption of Firm Power
(Thousands of Kilowatt Hours)
January

	1941	1940
P. E. I.	961	752
N. S.	45,478	40,241
N. B.	44,298	39,296
Que.	1,239,554	889,378
Ont.	978,162	871,848
Man.	101,355	87,487
Sask.	56,503	50,202
Alta.	38,479	28,887
B. C.	219,832	179,984
Total	2,724,622	2,188,075

B. C. Lumber Shipments Swing to Domestic Market

From Our Own Correspondent

VANCOUVER. — For the first time in a good many years the Canadian market outranked all others for British Columbia's lumber industry last year, and was responsible for absorbing more than 40% of total shipments.

Even more pronounced was the gain made in the United States market, where more than 25% of the marketed cut was disposed of during the year.

The most notable decline was in sales to the United Kingdom and other "foreign" markets, due primarily to the shipping shortage and the demands of the domestic market.

British Imports Drop

Last year the British market took only about 30% of British Columbia's lumber sold, compared with about 55% in the previous year. The highest British percentage — 55—was attained in 1940.

For many years following the enactment of the Empire trade preferences overseas business boomed and domestic sales dwindled. Trade with the United States fell off after the tariff barriers raised by the Hoover administration and the depression.

In 1934, the United States took only about 1% of the entire British Columbia lumber sales. In 1940 the percentage was less than 10%, but sales nearly tripled last year.

The lumber business in this province, which last year contributed a large part of the forest industries' total production of $120 million, is now rated as one of western Canada's foremost war industries.

Addressing the annual meeting of the British Columbia Lumber & Shingle Manufacturers Association in Vancouver a few days ago, the retiring president, James G. Robson, declared:

"Our lot is in no way different to that of other industries, and the extent to which our products are essential to the war effort has determined and will continue to determine the course of our operations."

Lumber Grading Helpful to N. S.

From Our Own Correspondent

MONTREAL.—Standard grading of Nova Scotia lumber, if accepted, will mean making the Nova Scotia industry, according to J. R. Bigelow, secretary of the Nova Scotia Forest Products Association.

Within the next month it is expected the Forest Products Laboratory at Ottawa will issue a standard grading rule for Maritime lumber, which is expected to end the serious handicap suffered by Nova Scotia lumber in the British market, as well as in the American market.

The handicap, according to Mr. Bigelow, has been the failure of lumber producers in the province to agree upon certain recognized grading standards as in the rest of Canada. This has not only resulted in a lower price, but in the last 10 or 15 years Nova Scotia has lost 75% of its export lumber trade, because buyers preferred the highly graded lumber from other parts of the Dominion.

U. S. Advertising Off in January

From Our Own Correspondent

MONTREAL. — Newspaper advertising volume in the United States last month began to show the effects of the war effort, according to a survey made by Editor and Publisher, based upon returns of Media Records Inc. During the month there was a 4.1% loss, which was the first monthly decline since November, 1940.

General advertising showed a gain of 4.2% over December. The only other classification to show an increase was retail advertising with .7%.

The declines in other groups were relatively small, with the exception of automotive, which was off 64% from January, 1941.

Pulp and Paper Capacity Ample

Bathurst President Says Present Over-demand Only Temporary

From Our Own Correspondent

MONTREAL. — Ample capacity exists in North America for the various kinds of pulp and paper products to meet all essential necessities required for war and civilian life, according to R. L. Weldon, president of Bathurst Power & Paper Co.

Since early in 1940, said Mr. Weldon, North America has become the source of supply for pulp and paper products required by the United Nations. These products are used much more freely by the peoples of the United States and Canada than by the peoples of other countries. This fact, coupled with increases in national income engendered by war, has increased the ordinary consumption of pulp and paper in both countries substantially.

Pulp and paper also enters into the production, directly or indirectly, of all munitions of war, while the United Kingdom, which formerly drew almost entirely on the Scandinavian countries, is now dependent upon North America.

This state of affairs, added Mr. Weldon, coupled with requirements of others of the United Nations, has served to create the appearance of a shortage which should rather be recognized as a temporary over-demand.

Woodpulp Stocks Hold Up in U.S.

From Our Own Correspondent

MONTREAL. — Stocks of purchased wood pulp on hand at paper mills in the United States as reported to the American Paper and Pulp Association showed a reduction of 8,487 tons during January.

Total supply on hand at the end of the month was 200,589 tons equivalent to 1.8 months supply. This contrasts with 209,076 tons, or 1.9 months supply. Apparently withdrawals fom stocks held by paper mills have resumed the trend evidenced previous to the holiday period.

Stocks of purchased wood pulp on hand with the board mills at the close of January totalled 73,781 tons, or 2.5 months supply. This was practically the same as reported at the end of the previous month.

U. S. Cellulose Output Climbs

From Our Own Correspondent

MONTREAL.—The January production of nitro-cellulose sheets, rods and tubes, as reported by the 10 leading manufacturers in the United States, was 1.6 million lb. in January, an increase of 9% over that reported in the previous month, and 38.7% over the January, 1941, total.

Production of cellulose acetate sheets, rods and tubes in January, 1942, as reported by five manufacturers, amounted to 585,319 lb., a 16.9% increase as compared with that for December, 1941. The January, 1942, production of cellulose acetate molding composition as reported by eight manufacturers amounted to 3.8 million lb., an increase of 11.5% over the previous month and 132.2% over January, 1941.

Newsprint Costs Rise 50c a Ton

From Our Own Correspondent

MONTREAL. — Canadian newsprint manufacturers will have slightly more than 50 cents a ton added to their costs next week as a result of the boost in freight rates on railway traffic between Canada and the United States.

The average freight rate per ton of newsprint shipped by rail to the States from a Canadian mill is $9. The new order permits an increase in the freight rate up to 6%. On the basis of shipments to the U. S. last year, the new order of the Board of Transport Commissioners and the Interstate Commerce Commission adds approximately $1.5 million annually to the manufacturers' freight bill.

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To Save is Practical Patriotism

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Will Wartime Restrictions Affect Automobile Insurance Costs?

What will be the effect on the automobile insurance business of the government restrictions on the sale of gasoline, tires and new cars?

In some quarters it is felt the new conditions will mean a decline in the demand for insurance protection. Those who take this view argue that:

1. Restriction on production of new cars will mean a gradual reduction of the number of automobiles on the road. As old cars become unserviceable there will be no new ones coming along to replace them.

2. Difficulty in obtaining tires will tend to discourage the use of cars.

3. Curtailment of the sale of gasoline and the high prices now ruling will have a similar effect.

These conditions, it is admitted, do not necessarily mean that existing cars will not be operated by the owners though they may have some tendency that way. But they do distinctly indicate that the average car will be driven a much lower mileage than it has been in recent years. This means, it is argued, fewer cars on the road over a certain period, which will in turn reduce the accident hazard. This is seen encouraging some people to drive without automobile insurance.

Will Continue to Drive

But supporters of the opposite view are not lacking. These people claim that most people will continue to drive even at the reduced mileage. This means they will want insurance. On top of this, it is argued, is the fact that as new motor cars become scarcer, existing ones will become more valuable, unless they are to be put off the road altogether.

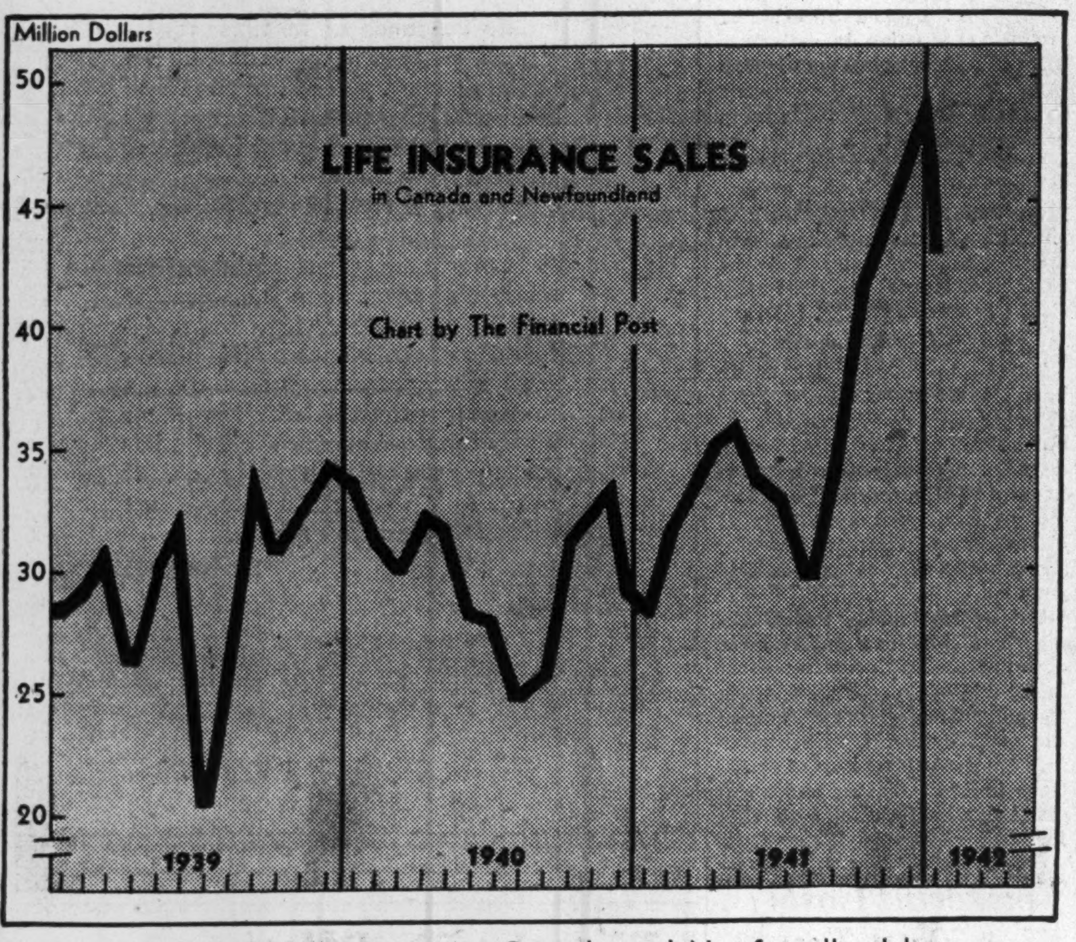
Greater value of the individual car means that car thefts will mean a greater loss to the owner, collisions will mean larger bills for repairs. Hence a greater demand for insurance. Then, too, it is claimed, unless the law prohibits the use of private cars they will be driven to the full limit in the spring and summer months.

Canadians have become so accustomed to the pleasures of motoring they are not likely to abandon their use as long as they can conscientiously drive them within the legal regulations.

Whatever the result of the wartime restrictions may be on the volume of automobile insurance, one result generally seen is a reduction in the number of accidents.

Fewer cars on the road, lower rates of speed, together with a realization by drivers that automobile accidents will cost more are seen as factors tending to cut down the number of collisions and other mishaps.

Meanwhile it is pointed out that whether an automobile owner drives much or little, the accident hazard is always there and if he is involved in an accident, the bill for damages is likely to be heavier than in normal times. Consequently, it is believed, prudent automobile owners will continue to want insurance as long as they drive their cars.



Sales of life insurance in Canada and Newfoundland have continued to soar despite war. The decline in January is seasonal and a renewed upturn is expected shortly.

McNairn Urges Fire Rate Cut

Finds Further Reduction on Top of 1940 Revisions Justified

In his annual report for 1941, Hartley D. McNairn, superintendent of insurance for Ontario, recommends that further reduction in fire insurance rates on certain types of risks be effected in Ontario. His report is dated Dec. 18, some weeks prior to the decision of the Canadian Underwriters Association to put a reduction into effect.

Mr. McNairn in his remarks on general conditions in the fire and casualty business, refers to the previous reduction in fire insurance rates in Ontario effective Feb. 26, 1940 and to subsequent reductions in certain classes of risks. While he states that a number of incidental revisions of rates have been made since 1940, he urges that the fire experience in Ontario continues to indicate that further revisions and reductions should be made.

Reductions are now being calculated by the C.U.A.

* * *

Insurance Problems

Commercial Travellers'

I am considering taking out a policy with the Commercial Travellers' Mutual Accident Association of America with head office at Utica, N.Y., and Canadian head office at Ottawa. Are New York companies subject to as strict control as similar Canadian companies? Must this particular association maintain a set amount of funds with the Canadian government to meet its obligations here?

This company is licensed by the Dominion Department of Insurance. Accordingly it is subject to the supervision and regulation of the Dominion superintendent, the same as any other company operating in Canada. It carries with the receiver-general at Ottawa a deposit considered ample to cover its liabilities in this country. At the beginning of this year this deposit was in securities with an accepted value of over $20,000. The amount of this deposit may vary from time to time. It is part of the work of the Dominion Department of Insurance to see the deposit is sufficient to cover the liabilities.

Insurance Notes

The Sun Life Assurance Co. of Canada has again performed a valuable service to its policyholders by issuing its annual report in the form of an attractive readable booklet. The report which is printed in two colors is 24 pages and opens with a brief history of the company under the caption "A Partnership Built on Good Faith."

This is followed by a picture of the home office building and then by Mr. Wood's address, which has been described as the most informative he has ever given at an annual meeting. Then comes the annual statement in a readily understandable style which even the person with little business knowledge can appreciate. The concluding pages are given over to an explanation of what a life insurance policy is and the double duty it is doing as "a rampart of the nation" protecting the home and providing dollars for the nation's war effort.

* * *

The Equitable Life Insurance Co. of Waterloo, Ont., will continue its present dividend scale during 1942, according to a statement issued. The policyholders' dividend scale has been unchanged since 1935. Excess interest paid under settlement options in 1942 brings the rate on such proceeds to 4%. Interest paid on dividends left to accumulate remains at 4% for 1942.

* * *

For the first time in the 47 years since it was founded, the Dufferin Farmers' Mutual Fire Insurance Co. will pay a refund from its surplus funds to policyholders.

The company now has 2,770 policies representing a total risk of $10.8 millions.

Receipts for 1941 totalled $53,940 and expenditures $19,251. Surplus now stands at $72,111.

Nearly Twice 1938 Imports of Cotton

Imports of cotton goods into Canada have almost doubled since 1938; from 16.5 million lb to 29.5 million lb. in 1941.

Vast quantities of cotton goods have been shipped from this country as war materials for Canadian troops and for Britain, Australia, New Zealand and India, since the war began.

New Books . . . .

"Inside" Canada

THE UNKNOWN COUNTRY. By Bruce Hutchison. Published by Longmans, Green & Co., Toronto. Price $4.50.

"No one knows my country, neither the stranger nor its own sons," says Mr. Hutchison. Those who read "The Unknown Country" will know Canada better. The author has conveyed much of the spirit of this country. In a volume that is in part imaginative and poetical; in part a commentary upon politics and politicians; in part a record of history; and in part a sort of guide-book to Canada, Mr. Hutchison has achieved his purpose of making Canada a vivid reality.

Bruce Hutchison is one of the editors of the Vancouver Sun, a restless, versatile writer with as many facets as his book itself. He is an uncynical critic and an unsycophantic eulogist. He has spent much time in the United States, enough to learn what Americans want to know about Canada. His book is obviously written to inform Americans. It will inform Canadian readers, too, and arouse the spirit of not a few of them. "The Unknown Country" is one of the most colorful books ever written on Canada.

Wisely, he begins with the warning that even Canadians must occasionally be given to realize that Canada is not English. He understands French-Canada. Mountebanks, he says, may inflame Quebec but the French-Canadian knows on which side his bread is buttered; that his religion, his language, his laws are safe under the British flag as they would not be safe under any other flag.

Mr. Hutchison is particularly skilful in delineating the Canadian character, particularly in showing wherein it differs from the American character. The Canadian certainly is more conservative than the American, less demonstrative and less frank on first acquaintance . . . not so bold and emotional . . . not so restless and nervous . . . not quite so democratic; he has a great reverence for tradition . . . perhaps too much.

"Above all, the Canadian character is the result of 20 years of disillusionment. It has a sense of frustration and failure and lack of a clear road, a concerted national drive. It has a sense of fumbling, a desperate desire to get somewhere, to be something."

Mr. Hutchison's comments on politics and on personalities are incisive. His appraisal of Mr. King is a two-minute sketch of kindly truth. But he falls overboard at the thought of his hero, John W. Dafoe who is "the greatest Canadian of his time" . . . a Liberal, but not a very constant one in a party sense." That the Winnipeg Free Press is anything but a party organ—except on minor issues—will be news to those who have perhaps followed its columns longer and more closely than Mr. Hutchison has.

In this reviewer's house four people—husband, wife, 18-year old son and 13-year old daughter have found "The Unknown Country" intensely interesting reading. Few Canadian books have ever had so broad an appeal.

100 Years of E.P.T.

DIGEST OF EXCESS PROFITS TAX CASES. Molyneux L. Gordon, K.C., author. Published by Carswell Co., Ltd., Toronto. Price $6.75.

Excess profits taxes, probably contrary to popular understanding, are not new. England had an excess profits tax as far back as 1842 as part of the income tax act of that year. Australia passed its first excess profits tax act as part of the Wartime Profits Tax Assessment Act of 1917. Canada had one in 1916; India in 1918 and South Africa in 1917.

Hence, a great number of law cases have been heard and decided on the general subject of excess profits taxes in the 100 years that legislation of this type has been on the statute books of one or more units of the British Commonwealth of Nations.

Mr. Gordon has taken these cases, roughly 250 of them, classified them according to the particular subject with which they deal and summarized the evidence and judgments rendered. Obviously the result of a tremendous amount of work, the volume is primarily intended as a reference book for lawyers and accountants who are dealing with excess profits tax matters regularly. The cases themselves were heard in England, Canada, Australia, India and South Africa.

The 250 cases are classified into particular phases of excess profits taxes. They deal with such subjects as what constitutes business that might be assessable for excess profits taxes, what is capital, what is a depressed business, what exemptions should be permitted and a number of others.

Molyneux L. Gordon, K.C., is a Toronto lawyer who has specialized on corporation tax matters. He has written other volumes covering digests of Canadian income tax cases.

P. E. I. Tax Boosts Tobacco Price

From Our Own Correspondent

MONTREAL — Effective from the beginning of March, Prince Edward Island instituted a retail tax of 10% on the sale of all tobacco, with the exception of black chewing tobacco.

The net result of this legislation is to increase the price to the consumer and there has been considerable agitation in the province on the score that the legislation is contrary to the price ceiling policy established by the Dominion Government.

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January, 1942

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50,707
November, 1941

49,383
October, 1941

48,460
September, 1941

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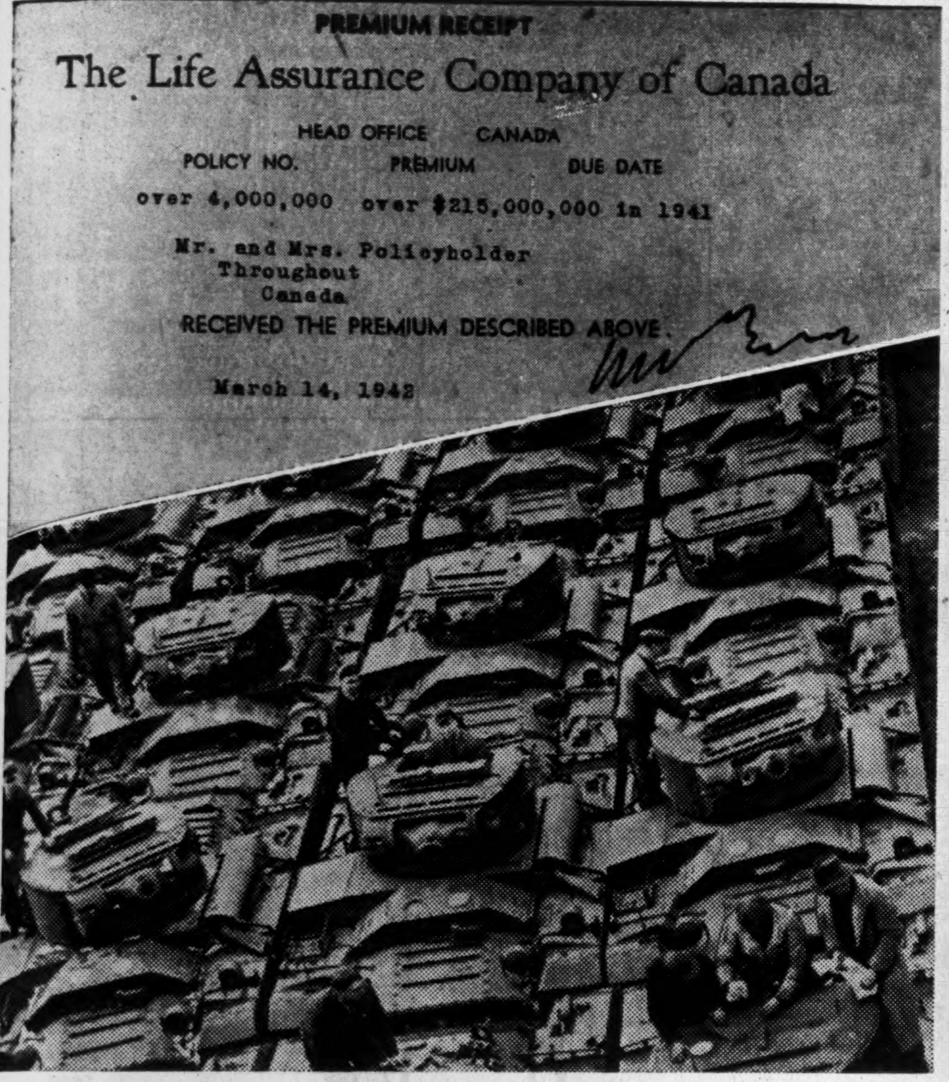
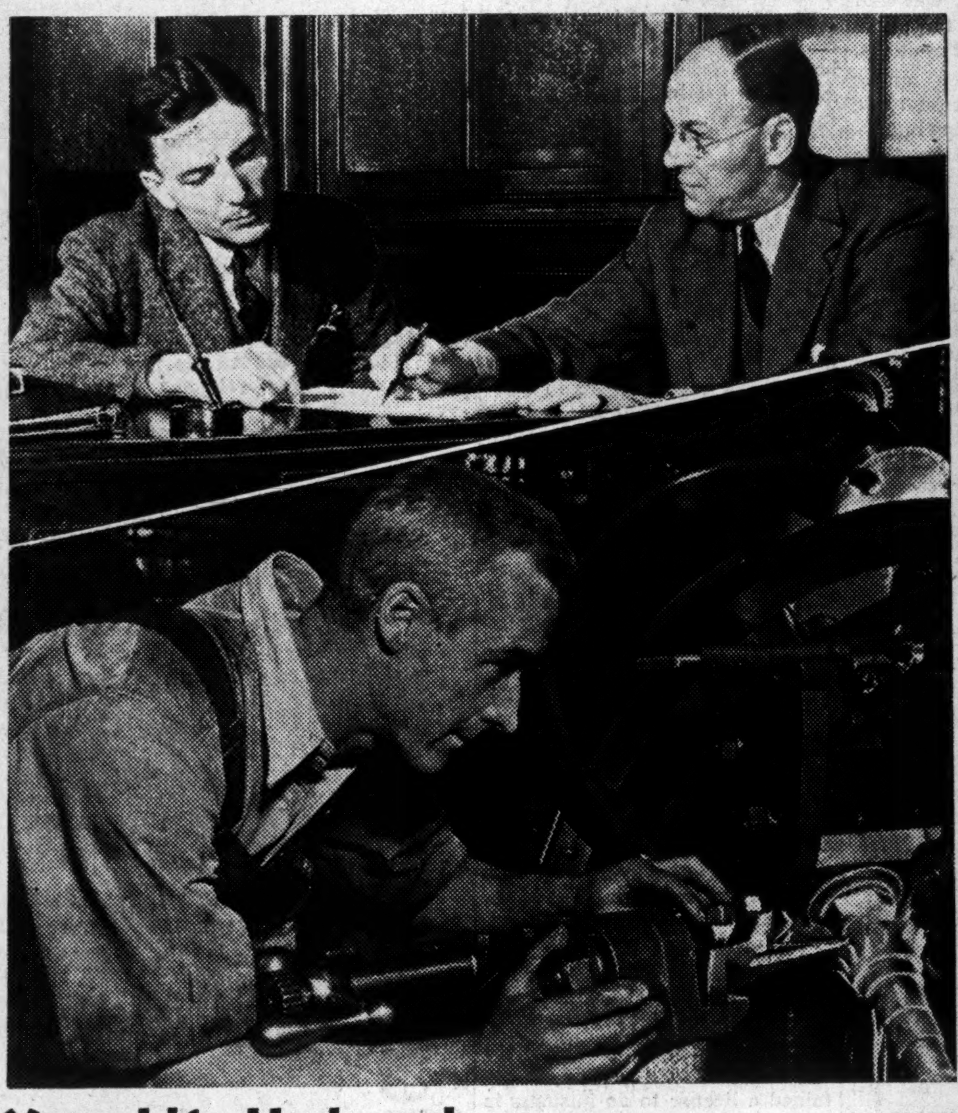
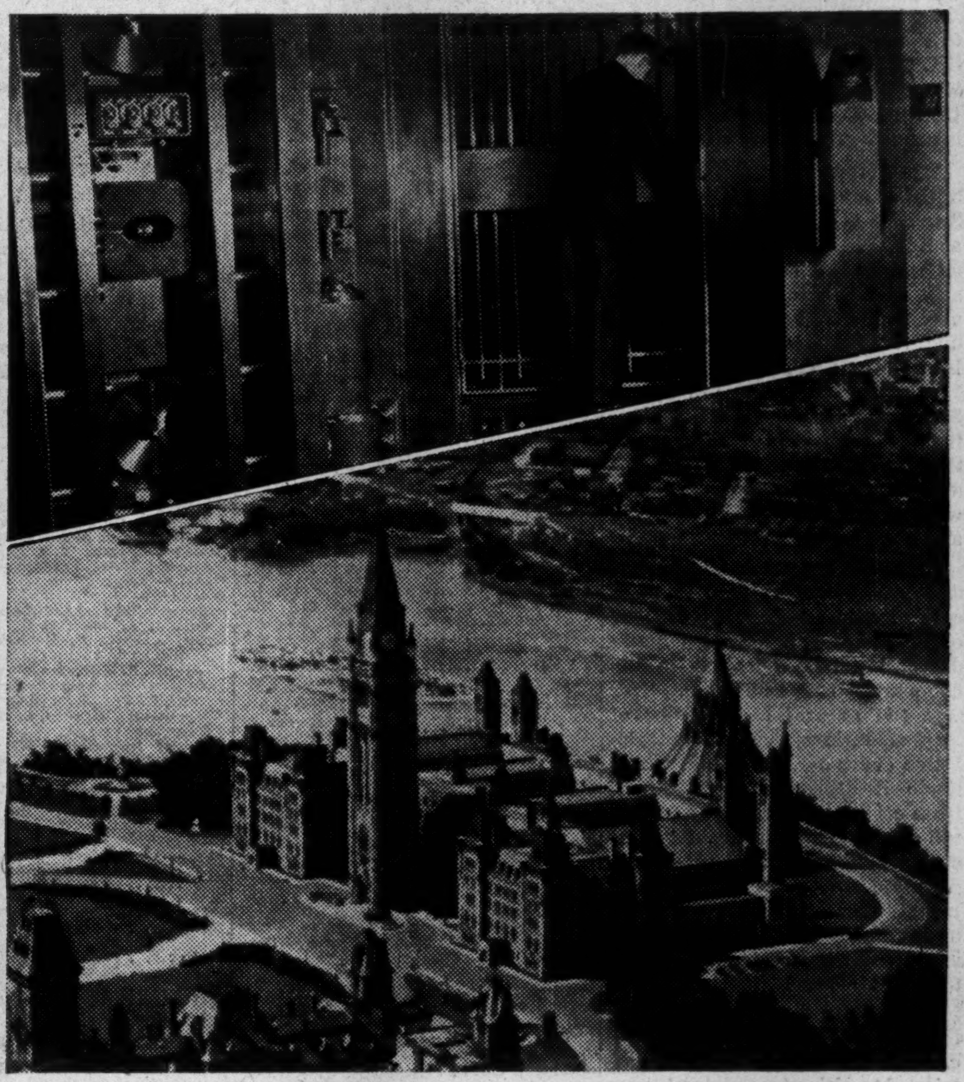
Vol. XXXVI | Member of Audit Bureau of Circulations | PUBLICATION OFFICE: TORONTO, MARCH 14, 1942 | 10c a Copy; $5.00 a Year | No. 11

Life Insurance Helps to Speed Victory

Canadians Have Giant Stake in Vast Co-operative Enterprise







Your Premium Dollars Help the War Effort

- by strengthening your economic position now and protecting you and your dependents in the future.
- by increasing the national savings available to meet the bills for war.
- by deferring personal expenditures, thus leaving more money, materials, factories, machines and workers for war production and helping to prevent inflation.

Your Life Underwriter Helps the War Effort

- by channelling vast funds into the war effort. Canadian life insurance companies have invested some $300 millions in Victory Loans. He is, like the skilled munition worker, a war worker on the home front.
- by building good citizenship. His work in 1941 increased insurance in force 5% and at the same time increased the ability of Canadians to withstand the economic shock of war.

Your Life Insurance Company Helps the War Effort

- by fostering thrift and foresight among nearly 4,000,000 Canadians.
- by serving as trustee of Canadian policyholders for $2,500,000,000 of assets.
- by exemplifying the democratic ideals of individual enterprise and responsibility. Life insurance is a powerful guardian of the social and economic welfare of all Canadians.

Canadians Cling to Insurance And Buy More in Wartime

By DONALD G. MACLEAN

The continued growth of life insurance in Canada in 1941 demonstrates the fundamental confidence of the Canadian people in the institution of life insurance and their increasing conviction that life insurance has a vital place in their domestic economy.

Life insurance is a co-operative enterprise. It is the greatest single example of customer ownership in the world. The policyholders' interest in the assets of the business through his premium payments are paramount. Accordingly, when the insurance company invests these funds in government bonds or in the industry of the Dominion, the policyholder becomes a direct partner in the nation's business.

The record of life insurance since the outbreak of war and in 1941 especially testifies to the conviction that this partnership is a vital component of modern life.

Here are outstanding developments in the life insurance business during the past year:

Increasing investments of life insurance funds in Canadian war and victory loans bringing the total to approximately $300 millions at the end of the campaign just closed.

An increase of 16.3% in sales of new life insurance in 1941.

Expansion of life insurance in force in Canada to almost $7.5 billions.

Decline in the number of policies lapsed or surrendered.

A decrease in policy loans.

Other features of the wartime experience of the life insurance companies have been:

A favorable mortality experience.

Increased income from premiums and investments.

A downward trend in basic interest rates.

Subscriptions of $300 millions to Canada's war loans indicate the readiness of the life insurance companies for an all out effort. By gathering in savings of private citizens at the rate of approximately $250 millions a year and investing a large part of this in war loans, the business helps the government to meet war expenditures at minimum expense. That part of premium income which is not made available for investment in war bonds goes for fortification of the family and, therefore, stabilization of the whole economic system.

At the beginning of the war a delegation from the Canadian Life Insurance Officers Association waited on the Minister of Finance and assured him of the fullest possible support of Canadian life insurance companies for government loans. The means used to implement this promise have been the purchase of government bonds, and active participation by their salesmen in putting over the war loan and war savings campaigns.

The upward trend in life insurance sales in 1941 has been one of the most significant developments of the present war period, repeating the experience of the last war. The larger purchases by the people at large indicate not only confidence in life insurance but also in the investment the life companies are making in government bonds.

In the first year of the last war sales of new life insurance decreased almost 7% from the total of 1913, the last complete year of peace. They then gradually increased, and for 1916 were only fractionally below the 1913 level. In 1917 a good increase over 1913 was shown and from then on sales continued to new high levels.

In this war sales in 1939 declined a little more than 6%. But in 1941, the second complete year of war, sales were almost 2% above the 1938 levels. This increase, so early in the war compared with the previous one, is considered surprising in view of the intensified competition for the policyholder's dollar.

Chief among the competitive forces are the high income and national defense taxes. On top of these come the demand of war loans, war savings and higher living costs.

Said George W. Bourke, actuary of the Sun Life Assurance Co. of Canada and president of the Canadian Life Insurance Officers' Association in an official statement recently, this growth in insurance in force reflects the desire of the people to maintain and enlarge if possible their investment in life insurance and through it in the country at large.

"Over four million Canadian policyholders are holding fast to their life insurance because of the conviction that it is the surest form of economic security for themselves and their families. They have also the keen satisfaction of knowing that their collective premium savings, invested for them by their life insurance companies, are playing a vital part in Canada's war finances."

Income of most of the companies in 1941 from premium interest and other sources in many cases has been higher. The largest income was due to larger sales of new insurance and to the conservation of old business.

Increasing in investment income was due partly to an increase in the amount of invested assets and also to the payment of interest on mortgages which had been outstanding previously and had not been taken into account. This was reflected in an increase in the rate of interest earned on this account in the case of the companies concerned. The general basic interest rate was generally admitted to be lower because of the downward trend in returns on new bond issues. The downward trend in interest rates was reflected by some companies changing the rate on which they compute reserves and premium rates.

Meanwhile, with sales at the beginning of the year showing a strong upward trend, life insurance companies will continue to play an increasingly important role as contributors to the war effort and as top rank stabilizing factors on the home front.

New Insurance Up 16%

Life insurance effected in Canada in 1941 amounted to $686.5 millions, an increase of 16.3% over the corresponding amount effected in 1940,, according to the preliminary figures issued by the Dominion Department of Insurance.

The total net amount of business in force on Dec. 31, 1941, was $7.3 billions or 4.8% greater than in the previous year.

Preliminary figures for 1941 and 1940 follow, amounts in each case being net figures.

	1941 $	1940 $
Insurance effected	**686,543,085**	**590,205,536**
Ordinary	511,364,065	443,789,966
Industrial	132,704,452	119,010,520
Group	42,474,568	27,405,050
Insurance in force	**7,311,416,531**	**6,975,322,460**
Ordinary	5,499,063,543	5,318,092,289
Industrial	993,087,813	928,464,860
Group	819,265,175	728,765,311
With Canadian Companies	4,835,928,584	4,609,213,977
With British and U. S. Companies	2,475,487,947	2,366,104,369
Premiums	**202,422,377**	**200,201,095**
Annuity Cons.	**16,006,983**	**13,931,622**
Fraternal business in force	180,071,373	177,565,039
Canadian Societies	108,538,492	108,810,930
Foreign fraternals	71,532,881	68,754,109

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Where Insurance Money Goes And Where It Comes From

Each year the life insurance companies in Canada take in and pay out hundreds of millions of dollars.

Where does this money come from and where does it go?

The income is derived mainly from two sources: premiums and revenue from investments.

The expenditures include payments to policyholders, beneficiaries and annuitants, taxes and the ordinary costs of doing business. But because of the special long term nature of life insurance contracts, a large proportion of each year's income also has to go into reserves.

There are three groups of companies operating in Canada: British, Canadian and foreign.

In 1940 the latest year for which detailed figures are available the income of the Canadian companies was shown at $424 millions. This was made up of the following items:

	Millions of $
Life insurance premiums	247.1
Payments for annuities, etc.	37.3
Amounts left with the companies pertaining to contracts	31.7
Interest and dividends	95.9
Profit on sale or maturity of ledger assets	9.7
Other income	2.7
	424.4

In addition there is an amount of $281,680 paid in on capital stock but as this is not a revenue matter, it is not included.

Under the insurance act, securities which comply with certain requirements are indicated as legal investments; also certain types of mortgages. From the bond interest, mortgage interest and dividends thus received the companies derive substantial revenues which as indicated in the table amount to $95 millions in 1940.

Consideration for annuities is also an important source of revenue while money arising from policy contracts such as policy dividends, matured policies, etc., left with the company also contributes another $31 millions.

If we take the number of ordinary life insurance policies in force in Canada as 1.7 millions the average policy is for $2,181 and the average premium payment on ordinary policies $72. Of this premium, a part varying according to the type of contract and the length of time it has to run must be put away as a reserve.

Because these reserves are part of the assets from which policy contracts are paid they are of direct interest to the policyholder and the disposition of the revenue from these reserves is of equal importance.

In the life insurance companies the policyholders' interest is paramount. In mutual companies there is no shareholder interest. In stock companies, the shareholder interest is practically negligible. Accordingly the policyholder is interested in where the company's revenues from investments goes as well as the money he pays in each year in premiums or as consideration for annuities.

Look at the figures supplied by the Dominion Superintendent for 1941 showing the expenditures of the life insurance companies.

Expenditures under the different headings and the percentage they bear to total revenues is shown in the table as follows:

	Actual amount $000,000	% of premium dollar
Payments under insurance and annuity contracts	216.78	51.12
Misc. payments under contracts	29.19	6.88
Dividends to shareholders	1.42	.33
Gross loss on sale or maturity of ledger assets	2.75	.65
Other disbursements	.88	.21
Investments expenses	5.76	1.35
Admin. expenses	43.31	10.21
Taxes	6.35	1.49
Other expenses	6.96	1.64
	313.40	73.88

This however accounts for only about $307 millions, leaving $111 millions of total income to be accounted for.

This balance is explained by the fact that the reserves of the Canadian companies that year were increased by $103 millions, company surplus by $2.5 millions while the balance, it is understood, has been written off assets.

The amount allocated to company reserves was approximately 24.29% of total income. Accordingly, if the amounts appropriated in the interests of the policyholder and annuity holder including amounts actually paid and the additions to company reserves, it appears these items take 82.29% of total revenues.

But insurance is business and entails cost. Taxes take 1.49% of total revenue. If calculated on the basis of premiums alone, the percentage is 2.2%. Head office branch and agency expenses including costs of management, selling, etc., are 10.21% of total revenues.

The small part that shareholders' dividends amount to out of the total is indicated by the percentage of total revenues shown at 0.33%.

An important consideration for policyholders is the recent fall in interest rates.

Figures of the average rate of interest earned by Canadian life insurance companies compiled by the Dominion Superintendent of Insurance show the rate dropped from 6.48% in 1929 to 4.32% in 1938. In 1940 the rate dropped again to 4.24%. Taking the actual figures available, however, it will be seen that the average rate dropped at least 2.16%.

Sun Life of Canada

Insurance in Force Near $3 Billions— Assets Amount to Almost $1 Billion

Sun Life Assurance Co. of Canada is not only the largest life assurance company in the Dominion, but is one of the top-ranking financial institutions of the world. At the end of 1941 its assets were close to the billion dollar mark, while insurance in force was almost $3 billions. Important gains were shown during the year in practically every important item. Its operations are world-wide.

The company was incorporated in 1865, the name originally being Sun Insurance Co. of Montreal.

In 1871 the name was changed to the Sun Mutual Life Insurance Co., of Montreal and the first policy of the company was written. Up till 1893 both accident and life insurance were transacted.

The name of the company was again changed May 17, 1882 to the Sun Life Assurance Co. of Canada as it is now. By 1879 it was able to extend its business activities outside Canada. In 1880 an agency was opened in the British West Indies. In 1893 an office was established in London, Eng. and in 1895, it started business in United States, opening an office in Detroit. Previous to the outbreak of the present war, it operated in almost every country of consequence with the exception of Australia and continental Europe.

At the last annual meeting President A. B. Wood stated that for several years business in a number of countries had been gradually decreasing in proportion to the company's total business. This was the natural consequence of local conditions, mostly of a legislative character, he stated, which made it desirable to withdraw from certain countries and to curtail operations in others. At present approximately 93% of total assurances in force and 98% of total investments are located in four major fields of operations; Canada, the United States, Great Britain and other British countries.

Business in force in sections of the Far East now classified as enemy and enemy occupied countries, Mr. Wood explained now amounts to 2% of total assurance in force. Investments and deposits there are only two thirds of 1% of total assets. The company, he proceeded, has of necessity had to suspend servicing business there for the duration of the war but interests of policyholders will be protected as far as possible.

In 1941 new assurances paid for totalled $187 millions, compared with $169.5 millions in 1940. Assurances in force came close to the $3 billion mark at $2.9 millions. Total assets were at a new high level at $995 millions.

Of total invested assets, bonds were almost 60% of the total, the highest proportion in many years. Investments in both preferred and common stocks were lower.

Total receipts during 1941 at $169.3 millions were about $2 millions higher than in 1940.

During the year new money was placed in Dominion Government and other bonds, and urban mortgages.

The total amount paid by the company to living policyholders, annuitants, etc., during 1941 was $62.3 millions.

Officers—
Arthur B. Wood, F.I.A., F.A.S., pres. and man. dir.; E. A. Macnutt, vice-pres. and treas.; C. S. V. Branch, 2nd vice-pres.; G. W. Bourke, F.I.A., F.A.S., actuary; F. J. Cunningham, F.A.S., secy.; W. S. Penny, director of agencies; H. P. Thornhill, joint treasurer; E. E. Duckworth, comptroller.

Directors—
Representing shareholders: Arthur B. Wood, E. A. Macnutt, Sir Edward W. Beatty, G.B.E., Harold Crabtree, Carl Riordon, G. W. Spinney, Morris W. Wilson, all of Montreal; T. B. Macaulay, Hudson Heights, P.Q.; Hon. L. A. Taschereau, Quebec; John A. Tory, Toronto. Representing policyholders: W. M. Birks, Rt. Hon. Raoul Dandurand, Hon. Chas. A. Dunning, Ross H. McMaster, John W. Ross, all of Montreal.

Field of Operations—
Canada, 41 states, districts and territories of the U.S.A., Argentine, Bermuda, British Guiana, British Honduras, British West Indies, Burma, Ceylon, Chile, Cuba, Egypt, Eire, French Guiana, Great Britain and Northern Ireland, Guatemala, Haiti, India, Malta, Netherlands, West Indies, Newfoundland, Palestine, Peru, Porto Rico, Santo Domingo, Southern Rhodesia, Straits Settlements, Union of South Africa, Virgin Islands.

Capital	
Capital—Authorized	$4,000,000
Subscribed	2,000,000
Paid-up	2,000,000

Growth of Business

Year	Assets $	Business in Force ($ 000)	New Ins. Paid for ($ 000)
1912	49,605,616	183,147	30,814
1917	90,160,174	313,088	47,811
1922	174,088,858	633,873	90,798
1927	401,305,884	1,533,910	342,153
1932	611,436,153	2,928,952	285,047
1937	831,291,743	2,896,569	250,054
1938	875,894,272	2,905,380	193,134
1939	914,767,311	2,938,478	194,132
1940	950,794,366	2,963,709	169,509
1941	995,518,009	2,971,747	187,042

Classes of Business Written

	†Effected 1941 $	Business in force Dec. 31/41 $
Ordinary business:		
(a) Participating	*	2,199,569,579
(b) Non-partic.	*	269,169,301
Group	27,692,935	503,008,208
Totals, 1941	187,041,959	2,971,747,088
1940	169,508,809	2,963,708,831

† Paid for, exclusive of increases, revivals and deferred annuities.
* Not available.

Analysis of Invested Assets

	1941 %	1940 %	1939 %	1938 %
Bonds:				
Government	26.6	22.2	19.7	21.7
Municipal	5.4	7.1	7.3	6.3
Other	27.8	25.8	25.0	21.9
Total	59.8	55.1	52.0	49.9
Mortgages:				
Farm	0.1	0.1	0.1	0.2
Urban	4.9	4.7	4.3	3.8
Total	5.0	4.8	4.4	4.0
Policy loans	8.5	9.2	9.5	10.2
Stocks	20.8	23.4	25.7	28.0
(a) Preferred	1.5	1.6	1.6	1.7
(b) Common	20.8	23.4	25.7	28.0
Real estate	2.4	2.6	2.8	2.9
Other	2.0	3.3	4.0	3.3
Total	100.0	100.0	100.0	100.0

Other Information

Interest earned on net mean ledger assets as reported to Dominion department of insurance: 1941, 3.98%; 1940, 3.96%.
Consideration received from annuities, 1941, $12,345,836.
Foreign business:
(a) Amount in force, Dec. 31, 1941 ..... $2,098,158,352
(b) New business effected .. 134,792,475
Death claims paid: 1941, $25,996,236; 1940, $25,792,656.

Mutual of Australia

The Mutual Life & Citizens Assurance Co. of Australia which began operating in Canada in 1913 has ceased writing new business in this country. Business in force accordingly decreased a little over $2 millions to $27.2 millions.

The company began business in Sydney, Australia in 1887 under the name of Citizens Life Assurance Co. The name was changed to its present form in 1907.

It has in the past written industrial as well as ordinary insurance. Total assets in Canada at the close of 1941 were $9.5 millions.

At time of going to press, figures for the entire business of the company for 1941 are not available.

Head Office—Sydney, N.S.W. Australia.
Head Office for Canada—Montreal.
Officers—
M. G. Elder, general manager; H. Vaughan, general secretary and actuary; J. P. Moore, manager for Canada.

Classes of Business Written (Canada only)

	Effected 1941 $	Business in force Dec. 31/41 $
Ordinary business:		
(a) Participating	14,570	11,693,739
(b) Non-partic.	nil	712,547
Industrial	...	14,851,543
Totals, 1941	14,570	27,257,829
1940	876,911	29,314,767

Growth of Business (In Canada)

Year	Assets $	Business in Force ($ 000)	New Ins. Paid for ($ 000)
1937	8,326,318	31,583	4,884
1938	8,271,008	32,088	4,174
1939	7,463,770	32,830	4,103
1940	7,110,591	29,314	876
1941	9,504,863	27,257	14*

Death claims paid: Canada branch, 1941, $203,427; 1940, $184,389.
*Alterations in existing contracts.

Entire Operations

Year	Assets	Total Business in Force $ 000	New Ord. Ins. effected $ 000
1936	122,488,382	335,169	34,297
1937	130,791,406	389,474	39,703
1938	137,361,686	401,801	40,067
1939	146,843,565	434,641	40,822
1940	155,235,545	454,177	32,332

Int. Earned (%)

	1940	1939	1938	1937	1936
Indust. branch	4.90	4.90	4.84	4.84	4.87
Ord. branch	4.81	4.93	5.00	4.95	5.00

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Excelsior Life

Assets and Business in Force Increase

Life insurance in force amounting to $118.3 millions was shown by the Excelsior Life Insurance Co. at the end of 1941. This was an increase of almost $6 millions over the previous year. New insurance effected in 1941 also was higher at $13.2 millions. Total assets rose to $26.1 millions.

The Excelsior Life was organized in 1889 and began business in 1890 as the Excelsior Life Insurance Co. of Ontario Limited. In 1899 the name was changed to the present one. Dominion license was issued June 23, 1897.

Total income in 1941 was $4.3 millions, and payments to policyholders totalled over $2 millions.

Analysis of invested assets shows over 66% in bonds, more than 51% of the total being in government issues. New money received in 1941 was invested in government bonds.

The company in 1941 made a survey of the classes of people buying insurance. It showed that between the ages of 16 and 39 the labor group were the largest buyers. Over 40 the mercantile group the largest. Of the different age groups that between 21 and 29 was the largest.

Officers—
Alex. Fasken, K.C., pres.; J. L. Ross, 1st vice-pres.; G. R. Warwick, 2nd vice-pres.; C. P. Muckle, sec.-treas.; A. W. Johnston and G. P. Thomson, joint actuaries; C. Q. Parker, investment mgr.; T. O. Cox, manager of agencies; A. P. Johnston, acct.; W. E. Ferguson, medical referee; M. S. Crockford, sales promotion manager.

Directors—
Representing shareholders: Alex. Fasken, J. L. Ross, S. F. Duncan, E. P. Taylor, H. S. Gooderham, Hon. Albert Matthews, Toronto; G. E. Weir, Dresden, Ont.; G. S. Kilbourn, Owen Sound. Representing policyholders: G. R. Warwick, C. C. Calvin, K.C., Toronto; B. R. MacKenzie, Toronto; J. W. Spencer, Victoria.

Field of Operations—All Canada except Prince Edward Island.

Growth of Business

Year	Assets $	Business in Force ($ 000)	New Ins. Paid for ($ 000)
1912	2,855,070	16,718	2,631
1917	4,593,716	21,079	5,114
1922	8,080,259	48,412	7,336
1927	12,327,152	76,387	11,716
1932	19,019,349	94,631	10,186
1937	21,595,777	106,003	16,756
1938	22,504,904	110,225	15,623
1939	23,683,987	113,128	13,707
1940	24,818,436	112,555	12,191
1941	26,130,570	118,350	13,295

Classes of Business Written

	*Effected 1941 $	Business in force Dec. 31/41 $
Ordinary business:		
(a) Participating	9,246,470	75,091,670
(b) Non-partic.	4,048,302	43,254,649
Totals, 1941	13,294,772	118,350,228
1940	12,191,071	112,555,149

*On basis required by Dominion department of insurance, i.e. paid for, exclusive of increases, revivals and deferred annuities.

Analysis of Invested Assets

	1941 %	1940 %	1939 %	1938 %
Bonds:				
Government	51.4	45.9	40.5	39.4
Municipal	7.3	8.5	9.5	11.4
Other	7.8	8.5	10.6	9.9
Total	66.5	62.9	60.6	60.7
Mortgages:				
Farm	1.3	1.6	1.8	2.0
Urban	10.3	11.5	12.8	14.0
Total	11.6	13.1	14.6	16.0
Policy loans	11.8	13.0	14.0	15.1
Stocks:				
(a) Preferred	1.6	1.6	1.3	0.8
(b) Common	3.5	3.5	2.8	1.8
Real estate	3.5	3.8	4.3	4.8
Other	1.5	2.1	2.4	0.8
Total	100.0	100.0	100.0	100.0

Interest earned on net mean ledger assets as reported to Dominion department of insurance: 1941, 4.53%; 1940, 4.56%.
Consideration received for annuities, 1941, 141,998.
Death claims paid: 1941, $670,531; 1940, $558,174.
Total amount paid by company to living policyholders, annuitants, etc., in 1941, $1,417,118.

New York Life

Business in Force in Canada $127 Millions

The New York Life Insurance Co. last year completed its first 100 years of existence, having been incorporated in New York State in 1841. No business, however, was written until 1845.

The company was known originally as the Nautilus Insurance Co., but the name was changed to the present one in 1849. In 1843 it had been mutualized.

It began writing business in Canada in 1868 with head office for the Dominion at Montreal.

Business in force in Canada at the end of 1941 was $127.6 millions, slightly lower than in the previous year. New insurance written during the year was $3.3 millions, compared with $3.6 millions in 1940.

The company is one of the largest insurance companies of the world and report of its entire operations shows total business in force at over $7 billions and total new insurance paid for in 1941 being $450 millions. The company's lapses and policy surrenders during 1941 showed a decrease from the previous year of over $23.8 millions, the volume of policies to lapse in 1941 are stated to be the lowest in 20 years.

Head Office—51 Madison Ave., New York, N.Y.
Chief Agency in Canada—Montreal Trust Bldg., Montreal.
Chief Agent in Canada — P. V. Raven, Montreal.

Growth of Business in Canada

Year	Business in Force $	New Ins. † $
1933	170,620,070	6,101,706
1934	160,517,843	6,163,261
1935	152,520,657	4,849,243
1936	146,644,425	4,613,858
1937	143,243,177	4,688,618
1938	138,958,956	4,074,729
1939	134,855,249	4,293,641
1940	130,612,276	3,608,285
1941	127,659,694	3,342,998

†Paid for, including paid-up additions.

Entire Operations

Total bus. in force, Dec. 31, 1941 ..... $7,013,883,403
Total new ins. paid for 1941* 450,365,659
*Including paid-up additions.

	1941	1940	1939	1938
‡Int. earned (%)	3.65	3.75	3.85	3.89

‡On mean net ledger assets as reported to Dominion department of insurance.

Metropolitan Life

Business in Force in Canada Rises $87.8 Millions To Almost $1.3 Millions

An increase of $87.8 millions in insurance in force is reported by the Metropolitan Life Insurance Co. on its Canadian operations in 1941. Insurance in force in this country at Dec. 31, amounted to almost $1.3 billion of which 55½% is owned by ordinary policyholders, 9½% by group policyholders and 35% by industrial policyholders.

New insurance effected in Canada during the year was $134.7 millions an increase of $25 millions over 1940.

The Metropolitan Life Insurance Co. with head office at New York has more business in force than any other life insurance company in the world.

It was incorporated in New York state in 1366 and began business in the United States in 1867. It was reincorporated as a mutual company in 1915. It has been operating in Canada since 1872. The Canadian head office is located at Ottawa.

Up to the end of 1941 the Metropolitan had invested $28 millions in war and Victory loans in Canada. In addition it has invested $20 millions in the 2nd Victory loan, the campaign for which has just closed. This makes total subscription to Canadian war and Victory loans in Canada of $48 millions. Total assets in Canada on Dec. 31 were $312.5 millions an increase of $20 millions over the previous year. Of this total $104.9 millions was in Dominion Government issues with provincial and municipal bonds accounting for $102.8 millions.

Health and welfare work bulk large among the company's operations, and the company writes a large volume of accident and health insurance. In addition it distributes many pieces of accident and health literature and through its nursing service many visits are paid to Canadian homes at no extra cost to the policyholder.

According to E. C. McDonald, vice-president in charge of the Canadian head office, there are approximately two million Metropolitan policyholders in Canada. Payments to Canadian policyholders and beneficiaries in 1941 were $28.9 millions. The total amount the Metropolitan has paid Canadians since it entered Canada, plus present investments in Canada exceeds the total premiums received from Canadians by more than $191.2 millions.

Total insurance in force with the Metropolitan at the end of 1941 was $25.4 billions with new insurance effected in 1941 $2.1 billions, a substantial increase in each case. Total assets of the entire company at $5.6 billions were about $290 millions higher than in the previous year.

Home Office—New York.
Canadian Head Office—Ottawa, Canada.
Vice-president in Charge—Edwin C. McDonald.

Growth of Business in Canada

Year	Assets $	Business in Force ($ 000)	New Ins. Effected* ($ 000)
1936	280,781,740	1,065,096	125,597
1937	269,863,260	1,126,790	145,766
1938	271,426,208	1,143,867	119,155
1939	280,363,744	1,163,200	101,973
1940	292,290,573	1,206,231	109,099
1941	312,507,070	1,294,023	134,794

Entire Operations

Total assets, 1941 ..... $ 5,648,047,196
Total bus. in force, Dec. 31/41 25,433,226,148
*Total new ins. effected, 1941 2,012,039,448

	1941	1940	1939	1938
†Int. earned (%)	3.67	3.67	3.83	3.86

*Does not include the amount of life insurance revived or increased.
†On mean net ledger assets as reported to Dominion Department of Insurance.

Business in Force in Canada

	1941 $	1940 $
Ordinary	717,716,520	666,544,714
Group	122,857,564	107,390,535
Industrial	453,449,492	432,296,262
Total	1,294,023,576	1,206,231,511

***New Insurance Effected in Canada**

	1941 $	1940 $
Ordinary	82,717,381	60,951,531
Group	4,101,543	2,110,060
Industrial	47,975,127	46,037,666
Total	134,794,051	109,099,257

*Does not include the amount of life insurance revived or increased.

Occidental Life

Business in Force in Canada $31.2 Millions

Total business in force in Canada with the Occidental Life Insurance Co. at the end of 1941 was $31.2 millions compared with $25.3 millions the year before. New insurance effected also showed a substantial gain at over $8 millions compared with $5.7 millions in the previous year.

Total assets in Canada at the close of 1941 were $1.8 million, an increase of almost $400,000 over 1940.

The Occidental Life started business in 1906. In 1928, it obtained a license to do business in Canada. In a little over 13 years therefore, its business in force in this country has risen to the present figure. The head office for Canada is at London, Ontario.

Total business in force of the entire company at the end of 1941 was $629 millions. New insurance effected during the year was $109.9 millions. Total assets were $79.9 millions.

Home Office—Los Angeles, California.
Head Office in Canada—London, Ont.
General Manager for Canada—W. Lockwood Miller.

Growth of Business in Canada

Year	Assets $	Business in force $	New Ins. effected* $
1936	799,255	8,737,000	2,732,000
1937	964,109	12,118,000	4,736,000
1938	1,134,632	16,393,000	6,256,000
1939	1,226,635	23,126,000	9,807,000
1940	1,491,893	25,318,000	5,778,000
1941	1,882,310	31,261,184	8,052,766

Entire Operations:

Total assets, 1941 ..... $ 79,932,462
Total bus. in force, Dec. 31/41 629,258,725
*Total new ins. effected, 1941 109,919,230

	1941 %	1940 %	1939 %	1938 %
†Interest earned.	4.79	4.81	4.80	4.90

*Figures on basis required by Dominion department of insurance, i.e. issued, accepted and paid for, exclusive of increases, revivals and annuities.
†On mean net ledger assets as reported to Dominion department of insurance.

Royal Insurance

Canadian Business Displays Increase

Life insurance in force with the Royal Insurance Company in Canada at the end of 1941 was $29.3 millions compared with $28.9 millions at the end of the previous year. New insurance effected also was higher at $1.9 million. Assets in Canada rose from $7.8 millions to $8.1 millions.

The Royal Insurance Company is nearly 100 years old, having been established in 1845 in England. The head office is at Liverpool. It commenced business in Canada in 1851. In addition to life insurance it writes fire, automobile and various lines of casualty insurance.

The figures for the entire operations of the company for 1941 are not available at time of writing.

The total assets of the entire company at the close of 1940, however, were $316 millions, and total life insurance in force, $323 millions.

Officers—
A. Kentish Barnes, chairman of directors, F. J. Williams and J. D. Simpson, general managers; R. W. Sturgeon, F.I.A. actuary; R. Forster Smith, manager for Canada.
Head Office—Liverpool, England.
Head Office for Canada—Montreal.

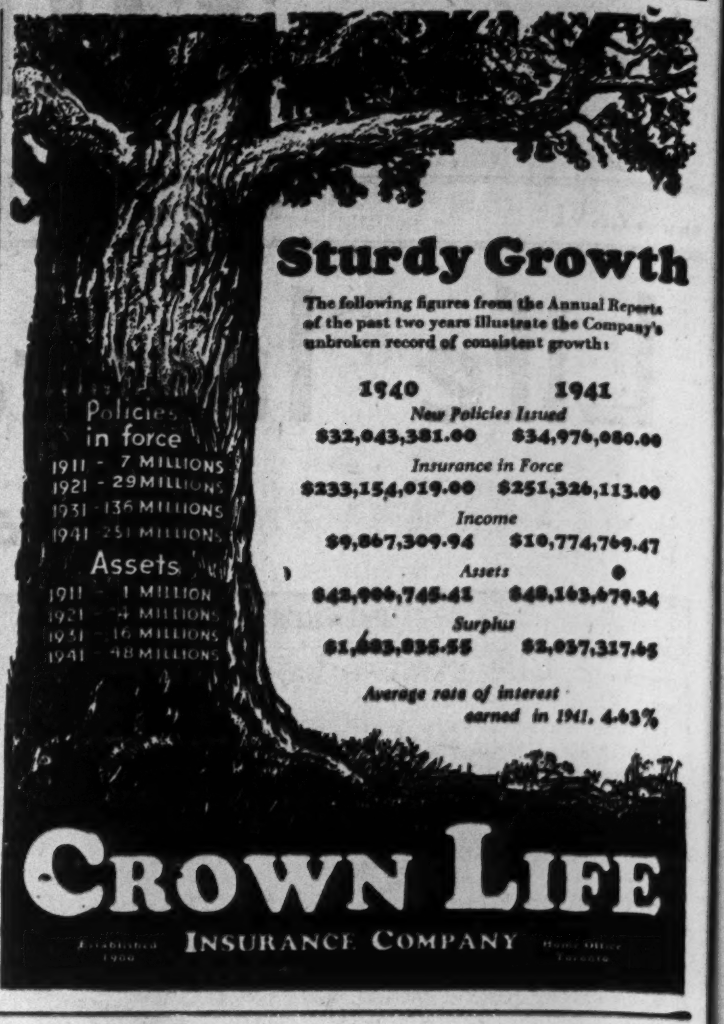
Growth of Business in Canada

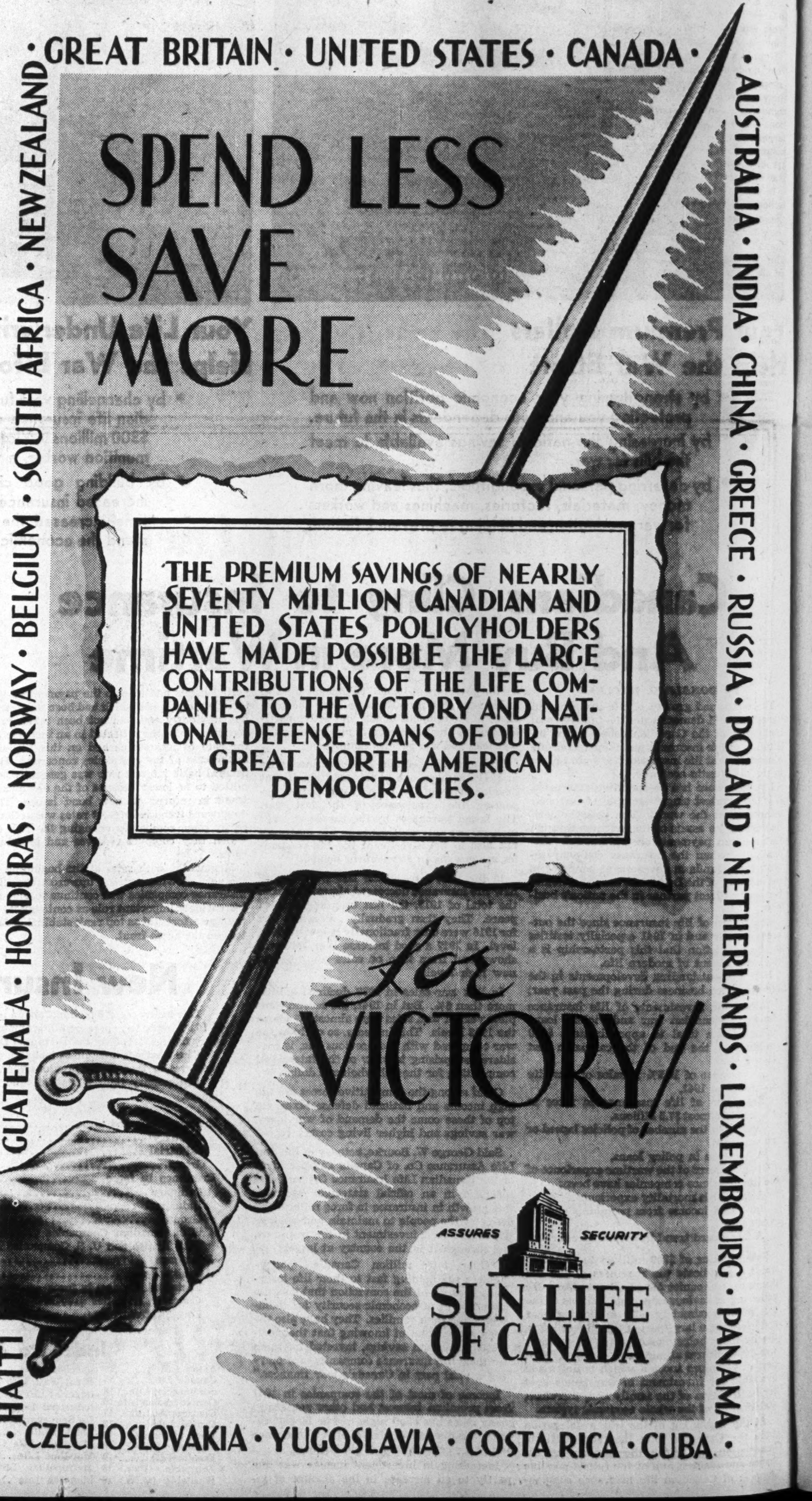
	Assets $	*Business in Force ($ 000)	*New Ins. Effected ($ 000)
1935	7,149,915	25,219	2,196
1936	6,857,014	26,377	2,641
1937	6,555,648	27,525	2,559
1938	7,454,619	28,101	2,277
1939	6,796,688	28,445	2,170
1940	7,804,704	28,990	1,600
1941	8,159,577	29,365	1,906

Entire Operations

Total assets, 1940 ..... †$316,410,763
Total bus. in force, Dec. 31, 1939 (net) ..... †323,786,140
Total new ins. effected, 1941 (approx.) (net) ..... †15,805,000

*On basis required by Dominion department of insurance, i.e. issued, accepted and paid for, exclusive of increases, revivals and annuities.
†At $5 to the pound.





Manufacturers Life

New Insurance Written and Business in Force Higher

Substantial gains in new insurance written and in business in force are shown by the Manufacturers Life Insurance Co. for 1941. The volume of new insurance written amounted to $54.6 millions, an increase of more than $7 millions over 1940. Business in force on Dec. 31 amounted to $606.1 millions, a gain of $24.1 millions from the previous year.

Total assets at the close of 1941 were over $205 millions, an increase of almost $15 millions.

Most of the increase or $13.5 millions was accounted for by investments in government bonds.

Of the total invested assets on Dec. 31, more than 66% were in government, municipal and other classes of bonds, more than 40% of total invested assets being in government bonds. This class of investment was at the highest figure since 1938. Mortgage investments, both farm and urban, were lower than at any time in recent previous years.

The rate of interest earned during the year was 4.51% compared with 4.45% in 1940.

The Manufacturers Life Insurance Co. was organized with head office in Toronto in 1887. It ranks about sixth among Canadian companies.

More than half its business is done outside Canada. It operates in Great Britain, United States, the West Indies, Central and South America, Africa and Asia.

Net premium income during the year amounted to $26.1 millions, compared with $24.1 millions in the year preceding. Total cash income at $39.5 millions was $4 millions above that of 1940, and the largest income in the company's history. Payments to policyholders amounted to $15.5 millions and was slightly lower than 1940.

In spite of the large business which the company does abroad the mortality experience during the year although slightly higher than in 1940 was considered favorable, the ratio of actual to expected claims was 66% compared with 60% in 1940. The 1940 mortality rate it is noted was the second lowest experienced by the company the last five years.

Officers—
M. R. Gooderham, K.C., pres.; F. G. Osler, vice-pres.; J. H. Lithgow, gen. mgr.; E. S. Macfarlane, asst. gen. mgr. and exec. sec.; A. Mackenzie, asst. gen. mgr. and mgr. of agencies; R. E. Dowsett, sec.; S. M. Thompson, treas.; G. L. Holmes, actuary; H. C. Cruickshank, med. officer; J. R. Beveridge, H. J. Stowe, asst. actuaries; D. R. MacKenzie, asst. sec.; R. C. Montgomery, asst. med. officer; C. K. C. Martin, asst. gen. counsel; E. J. White, mgr. mortgage dept.; K. G. McNab, W. T. Thorpe, H. R. Rowan, A. Kinch, A. R. Ferguson, agency supts.; J. A. Broadbent, inspector U. S. division; F. A. Nicholson, inspector Canadian division.

Directors—
Representing shareholders—M. R. Gooderham, K.C., C. S. Band, G. H. Cassels, K.C., Leigh M. McCarthy, Col. A. L. Bishop, J. H. Lithgow, all of Toronto. Representing policyholders—R. A. Daly, F. G. Osler, D. G. Ross, M.P., all of Toronto.

Field of Operations—
Canada, states of California, Delaware, Illinois, Michigan, New Jersey, Ohio, Oregon, Pennsylvania and Washington; also Alaska,* Antigua, Bahamas, Barbados, Bermuda, British Guiana, British Honduras, Burma, Ceylon, Colombia*, Costa Rica*, Cyprus, Cuba, Curacao, Dominica, Dutch Guiana, Egypt, Federated Malay States, Great Britain and Northern Ireland, Grenada, Guatemala, Haiti, Hawaii, Honduras*, Hong Kong, India*, Jamaica, Japan,* Java, Kenya, Netherlands East Indies, Newfoundland, Nicaragua*, Palestine, Panama (Canal Zone), Philippines, Puerto Rico, St. Kitts-Nevis, St. Vincent, Salvador*, Sarawak, South Africa, Straits Settlements, Thailand, Trinidad and Tobago, Virgin Islands, Santo Domingo, St. Lucia, China, Macao.
*Renewal business only.

Capital—Authorized	$3,000,000
Subscribed	1,500,000
Paid-up	1,500,000

Dividends Paid on Capital Stock—12% per annum.

Growth of Business

Year	Assets $	Business in Force ($ 000)	New Ins.* Paid for ($ 000)
1912	16,132,947	73,889	15,307
1917	24,585,927	98,129	13,814
1922	42,084,330	217,422	38,148
1927	76,483,180	402,554	70,820
1932	117,786,626	526,253	58,580
1937	154,938,935	†535,954	†57,528
1938	167,371,396	†551,445	†54,641
1939	177,808,634	†568,244	†53,394
1940	190,068,353	†582,089	†47,611
1941	205,003,438	†606,104	†54,647

†Excluding deferred annuities.
*Excluding revivals, increases or bonus additions.

Classes of Business Written

	*Effected 1941 $	Business in force Dec. 31/41 $
Ordinary business:		
(a) Participating	41,787,190	472,064,597
(b) Non-partic.	13,290,647	122,125,503
S. F. & cap. redemp.	....	436,810
Group	69,500	11,477,229
Totals, 1941	54,647,524	606,104,139
1940	47,610,918	582,089,084

*Paid for, exclusive of increases, revivals, bonus additions and deferred annuities.

Analysis of Invested Assets

	1941 %	1940 %	1939 %	1938 %
Bonds:				
Government	40.2	36.0	35.3	35.4
Municipal	11.9	13.6	13.4	13.8
Other	14.7	14.3	13.9	12.2
Total	66.8	63.9	62.6	61.4
Mortgages:				
Farm	2.7	3.1	3.5	3.8
Urban	9.5	10.8	11.7	12.2
Total	12.2	13.9	15.2	16.0
Policy loans	9.5	10.5	10.9	11.8
Stocks:				
(a) Preferred	1.8	1.6	1.4	1.2
(b) Common	3.8	4.3	4.5	4.3
Total	5.6	5.9	5.9	5.5
Real estate	3.4	3.7	3.9	4.2
Other	2.5	2.1	1.5	1.1
Total	100.0	100.0	100.0	100.0

Interest earned on net mean ledger assets as reported to Dominion department of insurance: 1941, 4.51%; 1940, 4.45%.

Consideration received from annuities, 1941, $4,328,837.

Foreign business—(a) amount in force, Dec. 31, 1941, $328,984,113; (b) new business effected, $32,071,605.

Death claims paid: 1941, $4,583,628; 1940, $4,302,458.

Summary Life Insurance in Canada

Compiled by The Financial Post
Canadian Companies Only
Dec. 31, 1941

	Began Business in Can.	Insurance in Force Total ($000)	Ordinary ($000)	Group ($000)	New Policies Sold ($000)	Total Assets ($000)
Sun	1871	2,971,747	2,468,739	503,008	157,042	995,518
Canada	1847	815,470	699,618	115,852	65,853	284,617
London	1874	†769,214	476,094	51,023	111,826	154,805
Great-West	1892	622,693	567,696	54,997	44,560	180,609
Mutual of Can.	1870	609,364	581,079	28,285	54,108	207,462
Manufacturers	1887	606,104	594,627	11,477	54,647	205,003
Confederation	1871	439,357	395,815	43,542	45,123	140,889
Imperial	1897	289,895	282,476	7,419	23,523	100,684
North American	1881	238,272	235,050	3,222	25,190	71,748
Crown	1901	237,729	236,245	1,484	34,976	48,164
Dominion	1889	196,711	189,805	6,906	18,835	49,249
National	1899	65,075	62,888	2,187	6,754	13,978
Excelsior	1890	118,350	118,346	‡4	13,295	26,131
Monarch	1906	65,062	65,062	....	8,199	16,659
Montreal	1910	59,380	50,096	9,284	9,890	9,084
Sauvegarde	1903	54,160	54,160	....	9,218	7,663
Northern	1897	52,714	50,071	2,643	5,498	12,244
Continental	1899	44,683	44,632	51	5,094	11,231
Equitable of Canada	1920	42,220	42,220	....	3,239	13,181
Empire	1923	38,929	38,905	24	5,396	10,589
Sovereign	1903	37,693	37,693	....	6,227	8,644
Industrial	1905	†34,218	12,141	311	13,199	3,239
T. Eaton	1920	33,869	33,869	....	3,350	10,492
Maritime	1912	18,820	18,672	148	1,976	3,690
Dom. of Canada	1887	15,956	15,711	245	2,184	2,563
Commercial	1913	11,577	9,542	2,035	3,701	2,764
Toronto Mutual	1935	†9,813	3,343	....	2,143	1,753
Saskatchewan	1914	8,242	8,158	84	1,021	1,980
Western Life	1911	7,304	7,304	....	2,002	1,246

†Includes industrial. ‡Industrial.

Prudential of America

Gains Shown in Assets, Business in Force and New Insurance

New insurance effected by the Prudential Insurance Co. of America in Canada in 1941 at $585.4 millions was about $37 millions higher than in the previous year. New insurance effected was $10 millions higher at $71 millions and total assets rose almost $9 millions to $125.3 millions.

The Prudential of America with head office at Newark, N.J., commenced business in the United States in 1875. It was first known as the Widows' and Orphans' Friendly Society in New Jersey. In 1877 the name was changed to the Prudential Friendly Society. It commenced business in Canada in 1909. It writes a substantial volume of industrial insurance.

Total business in force with the entire company at the end of 1941 amounted to $19.5 billions while new insurance effected, including revivals and increases, was $2.1 billions. Total admitted assets of the entire company were $4.5 billions.

The rate of interest earned on the company's invested assets in 1941 was 3.67% compared with 3.77% in the year preceding.

Head Office—Newark, New Jersey.

Canadian Officers—
H. P. Douglas, mgr. (ordinary bus.) for Quebec and chief agent for Canada, with head office in Montreal; A. R. Traynor, Dominion supervisor for company's industrial agencies which are operated in all parts of Canada.

Growth of Business in Canada

Year	Assets $	Business in Force ($ 000)	New Ins. Effected* ($ 000)
1936	101,507,321	506,257	72,086
1937	101,701,964	521,230	72,879
1938	109,866,509	524,939	61,564
1939	116,120,210	530,518	57,718
1940	116,532,628	547,957	61,280
1941	125,334,942	585,428	71,331

Entire Operations

Total admitted assets, 1941	$ 4,556,085,245
Total bus. in force, Dec. 31/41	19,549,175,369
‡Total new ins. paid for incl. rev. & increased, 1941	2,118,259,475

	1941	1940	1939	1938
†Int. earned (%)	3.67	3.77	3.93	3.92

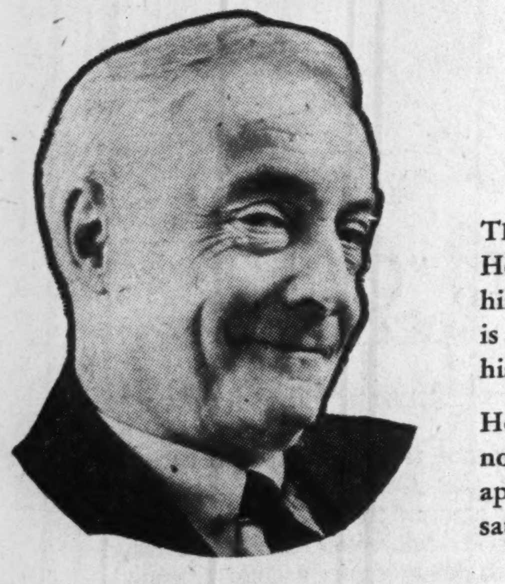
*On basis required by Dominion department of insurance, i.e. issued, accepted and paid for, exclusive of increases, revivals and deferred annuities.
†On mean net ledger assets as reported to Dominion department of insurance.
‡Net increase in group life insurance.

His Employer is his Friend!

JIM'S COMPANY has just installed a Group Life Assurance plan for all its employees.

This co-operation has made Jim feel that his boss is his friend, anxious to help in making his future more secure.

Jim and many of his fellow workers could not afford enough life assurance without this plan. Some could not get it because of their health. Now, for a few cents a week they can all have at least enough to continue their pay to their families for one full year.



THE BIG BOSS is satisfied with his decision too. He feels that he has strengthened the bond between himself and his men, and he knows that today this is a specially important step toward the success of his business.

He is glad to feel that no employee of his need now die "without a penny", and that the men appreciate this provision he has made for them. His satisfaction is well worth the small outlay involved.

● ***Employers!*** North American Life has a Branch in your district ready to serve you and your employees through Group Life Assurance. You can maintain this plan of protection in your plant and office at an extraordinarily low cost. It costs *nothing* to enquire about its possibilities. Call in our Representative in your city or town and get full particulars from him.

NORTH AMERICAN LIFE ASSURANCE COMPANY
HEAD OFFICE TORONTO, CANADA

Canada Life Assurance

Business in Force and New Insurance Show Increase — Assets Higher

Canada Life Assurance Co. at the end of 1941 had $815.4 millions life insurance in force, an increase of almost $10 millions over the previous year. New insurance effected in 1941 was $65.8 millions against $62 millions in 1940.

Assets also were higher at $284.6 millions.

The Canada Life is Canada's oldest and second largest life insurance company. It started business in 1847. It boasts the first life insurance policy issued in Canada, namely a contract for £400 of insurance on the life of Hugh C. Baker, founder and first president.

The head office is at Toronto and the company operates under Federal charter. It has a substantial organization throughout the British Isles, United States, Newfoundland, the Bahamas, Bermuda and Hawaii, as well as Canada. About 47% of the total business of the company is transacted outside the Dominion.

The company's sales of ordinary life insurance in Canada showed a gain of 26% over 1940. In the United States they were 22% higher. Sales in the British Isles, however, showed a decline.

Factors contributing to the increase in business in force in 1941 were a favorable mortality experience and further improvement in lapses and policy surrenders. Only twice in the last 10 years has the percentage of actual mortality to the expected been lower than in 1941.

The analysis of invested assets shows 69% to be in bonds, 38% of the total being in government issues. Bond investments have been increasing in recent years while mortgage investments have been declining. The rate of interest earned on net mean ledger assets was 4.21% compared with 4.14% in the previous year.

During the year $15.7 millions was paid to living policyholders and annuitants. Total receipts for the year were $39.8 millions, about a million higher than in the previous year. Total policy payments at $22.9 millions were about a million lower.

Head Office—Toronto.

Officers—
A. N. Mitchell, pres.; Leighton McCarthy, chm. of the board; R. A. Laidlaw and E. G. Baker, vice-pres.; H. C. Cox, chm. of the London board; S. C. McEvenue, gen. mgr.; L. K. File, chief actuary; W. J. Beattie, asst. gen. mgr.; E. C. Gill, asst. gen. mgr. and treas.; J. H. Domelle, sec; S. J. Streight, medical dir.; R. G. McDonald and T. H. Gooch, supts.; J. D. Williamson and J. G. Beatty, actuaries; R. E. Woodcock, W. R. McConnell, A. H. Lemmon, asst. treas.; A. G. Dalrymple, H. N. Watt, J. M. Brown, asst. secs.; J. A. Roberts, asst. med. dir.; J. H. Romig, asst. supt.; J. R. Gray, D. M. Ellis, asst. actuaries; W. J. Adams, comptroller; G. G. Daly, chief underwriter.

Directors—
Representing shareholders: A. N. Mitchell, Hon. Leighton McCarthy, P.C., K.C., H. C. Cox, H. E. Arscott, C. A. Bogert, W. N. Tilley, K.C., R. A. Laidlaw, J. A. McLeod, all of Toronto; A. V. Davis, Pittsburgh; J. Stuart, Chicago. Representing policyholders: E. G. Baker, J. M. Macdonnell, Rt. Hon. Sir Thomas White, all of Toronto; Hon. Charles Stewart, Ottawa; Aime Geoffrion, K.C., Montreal.

Growth of Business

Year	Assets $	Business in Force ($ 000)	New Ins. Paid for ($ 000)
1912	48,301,523	144,878	15,512
1917	62,580,337	183,017	21,369
1922	86,654,498	360,981	64,521
1927	140,580,678	769,982	148,492
1932	216,886,246	926,390	80,536
1937	259,329,738	817,193	69,431
1938	265,894,243	814,935	64,968
1939	268,046,507	810,291	61,145
1940	275,583,490	805,704	62,000
1941	284,617,288	815,470	65,853

Classes of Business Written

	*Effected 1941 $	Business in force Dec. 31/41 $
Ordinary business:		
(a) Participating	36,645,031	634,844,716
(b) Non-partic.	2,071,025	45,614,937
(c) Paid-up addit.	....	19,158,529
Group	4,994,802	115,852,534
Totals, 1941	43,710,858	815,470,716
1940	36,470,537	805,704,918

*On basis required by Dominion department of insurance, i.e. paid for, exclusive of increases, revivals and deferred annuities.

Analysis of Invested Assets

	1941 %	1940 %	1939 %	1938 %
Bonds:				
Government	37.9	32.6	30.2	28.1
Municipal	16.5	18.0	17.9	15.5
Other	14.4	13.8	13.5	17.3
Total	68.8	64.4	61.6	60.9
Mortgages:				
Farm	4.8	5.5	6.3	6.6
Urban	11.1	11.7	12.3	12.1
Total	15.9	17.2	18.6	18.7
Policy loans	6.8	7.7	8.3	9.4
Stocks:				
(a) Preferred	2.5	2.7	2.7	3.0
(b) Common	1.4	1.5	1.7	1.9
Real estate	4.1	4.6	5.2	5.4
Other	.5	1.9	1.9	.7
Total	100.0	100.0	100.0	100.0

Interest earned on net mean ledger assets as reported to Dominion department of insurance: 1941, 4.21%; 1940, 4.14%.

Consideration received from annuities 1941, $4,884,924.

Foreign business—(a) amount in force, Dec. 31, 1941, $385,299,382; (b) new business effected, $17,059,548.

Death claims paid: 1941, $6,752,374; 1940, $6,949,078.

Payments to living policyholders, etc., in 1941, $15,778,939.

Saskatchewan Life

New Insurance and Business in Force Up

New insurance effected by the Saskatchewan Life Insurance Co. in 1941 was slightly over $1 million, an increase of about $350,000 over 1940. Total insurance in force also was higher at $8.2 millions.

General income during the year was $321,114, disbursements under policy contracts amounted to $180,521.

The Saskatchewan Life was organized under Dominion Charter in 1912 and began business in 1914. It does business in all four western provinces.

Because it was felt that the name originally chosen for the company was too provincial, application has been made to have the name changed to Fidelity Life Assurance Company.

Total assets of the company at the close of 1941 were $1.9 millions. Of this, almost 35% is in bonds and 28% in mortgages. New money in 1941 was placed almost exclusively in Dominion of Canada bonds.

Officers—
C. M. Willoughby, pres.; G. H. Barr, K.C., vice-pres.; M. B. Farr, gen. mgr.; W. F. Curell, sec.

Directors—
Representing shareholders: G. H. Barr, K.C., W. H. Duncan, M. B. Farr, A. E. Whitmore, C. M. Willoughby, C. B. McKee, T. A. Wilson, C. H. Weicker, D.D.S., all of Regina.
Representing policyholders: I. H. Bowman, Regina; W. M. Houston, Regina; J. B. Francis, Sedley, Sask.; R. A. Wright, Pitman, Sask.

Capital—Authorized	$1,000,000
Subscribed	1,000,000
Paid-up	100,000

Dividends—None paid in 1939, 1940 or 1941.
Head Office—Regina.

Growth of Business

Year	Assets $	Business in Force ($ 000)	New Ins. Paid for ($ 000)
1931	2,197,000	10,380	851
1932	2,200,318	10,118	1,023
1933	2,203,954	9,111	907
1934	2,064,910	8,184	1,087
1937	1,906,090	8,693	1,202
1938	1,895,953	8,988	1,139
1939	1,888,096	8,218	851
1940	1,958,494	8,108	678
1941	1,979,981	8,242	1,021

Classes of Business Written

	*Effected 1941 $	Business in force Dec. 31/41 $
Ordinary business:		
(a) Participating	905,660	7,306,076
(b) Non-partic.	115,215	851,674
Group	......	84,000
Totals, 1941	1,020,875	8,241,750
1940	678,657	8,108,568

*On basis required by Dominion department of insurance, i.e. paid for, exclusive of increases, revivals and deferred annuities.

Analysis of Invested Assets

	1941 %	1940 %	1939 %	1938 %
Bonds:				
Government	24.2	16.8	6.5	4.9
Municipal	8.5	10.0	11.1	12.6
Other	2.0	2.1	2.2	2.1
Total	34.8	28.9	19.8	19.6
Mortgages:				
Farm	17.6	20.4	22.1	23.5
Urban	10.8	12.8	16.4	17.2
Total	28.5	33.3	38.5	40.7
Policy loans	17.7	19.8	20.3	23.9
Real estate	16.6	14.9	14.0	12.8
Other	2.5	3.0	7.4	3.0
Total	100.0	100.0	100.0	100.0

Interest earned on net mean ledger assets as reported to Dominion department of insurance: 1941, 4.08%; 1940, 3.27%.

Consideration received for annuities, 1941, $9,305.

Death claims paid: 1941, $31,010; 1940, $18,554.

Total amount paid living policyholders, annuitants, etc., $132,055.

WOULD you willingly place too heavy a burden on your wife's shoulders? Care of the family and management of the home are tasks that are naturally hers as a partner. Yet if she were suddenly left without you, burdens that are heavy when shared by both would be hers alone. How could she face them without an income?

There is a way to make sure that she would not have the added, crushing responsibility of earning money to provide the family with food, clothing and shelter. It is to put as much of your income as you can into Life Insurance and to increase the amount as your circumstances permit.

Life Insurance can be arranged to provide a non-cancellable monthly income that will never be uncertain—that fluctuating values or market upheavals can never reduce. Thus your heaviest burden will not fall on shoulders ill-fitted to carry the load.

THE MANUFACTURERS LIFE INSURANCE COMPANY
HEAD OFFICE (*Established 1887*) TORONTO, CANADA

(Mail this coupon to local address given above)
Without placing myself under any obligation, please give me information to plan a Life Insurance estate.
Age............ *Married or Single*............
Name............
Address............

Georgetown debenture debt at the end of 1941 was $114,578, down $27,868 on the year. Cash balance in the bank was increased by $11,502 during 1941.

* * *

Sudbury tax prepayments in January amounted to $69,854 against $166,592 in the same month a year ago. Unless certain large firms which are heavy taxpayers and have in the past been in the habit of prepaying taxes to the city, do so again this year, it will be necessary for short term loans to be arranged with the banks. The city treasurer had hoped to be able to avoid this condition.

Serving Canada today... planning for tomorrow!

THE savings of more than 170,000 Canadians are helping Canada's war effort today through The Mutual Life of Canada. More than $34,000,000 have already been invested in War and Victory Loans . . . and many millions more in other Government securities and in vital commercial and industrial enterprises.

Besides contributing their share as individuals, these Mutual Life policyholders are giving double assistance through their insurance savings. Not only are they directly aiding the war effort, but by guaranteeing the security of their own families they are safeguarding the very roots of all our nation's strength.

Employees of The Mutual Life of Canada also are doing their part. More than 150 have enlisted for active service. Many hundreds more are giving freely of their time and energy in war services, assisting in war savings drives and in their own war savings contributions.

To put forth our greatest war effort, every one of us must plan to spend less and save more. Combined with a generous investment in War Loans, no form of saving can be more helpful to you or to Canada than the purchase of life insurance through The Mutual Life of Canada. A truly "mutual" company, it is owned entirely by the policyholders, who are the sole recipients of the Company's profits.

Your nearest Mutual Life representative will gladly show you how your savings can be *individually planned* to provide adequate security for you and your family, while they work for your country, too. See him today!

THE MUTUAL LIFE OF CANADA
Established 1869
HEAD OFFICE • WATERLOO, ONT.

ALL PROFITS FOR POLICYHOLDERS

LIFE INSURANCE DOLLARS

are doing a major service in

"HOME" DEFENSE

and on

ACTIVE SERVICE

Millions of Dominion Life Insurance Dollars, the savings of sound citizens, are on "Active Service" against tyranny.

These fighting dollars are on "HOME" DEFENSE—for, in war or peace the home is the foundation of our way of life—and life insurance is the cornerstone of the home. Life insurance savings provide a hedge against future financial urgency in the home, while, at the same time, these millions of dollars are invested in Victory.

How about your own 1942 Budget? Have you made sure that Life Insurance is taken care of? You are invited to write for particulars of The Dominion Life's method of obtaining "Life-Insurance-on-a-Budget".

THE DOMINION LIFE ASSURANCE COMPANY
HEAD OFFICE • WATERLOO ONTARIO

"Faithful PROTECTION"

TORONTO MUTUAL LIFE
Insurance Company

Head Office: 7 Gerrard St. W. ELgin 0254
Branch Office: 6 Hayden Street Kingsdale 6926

50 Times in 50 Years

EVERY year in the past half century, through good times and bad, the London Life has shown a growth in life insurance in force.

Last year the increase was seventy-one million dollars — by far the greatest in the Company's history. The total amount of Life Insurance in Force is now $769,214,000.

With rapid growth in size there has been an equally impressive growth in financial strength.

These achievements are the result of the high degree of public confidence enjoyed by this Company and the sound practices by which that confidence was built and is being maintained.

The Company's progress and financial strength offer increased opportunities to its representatives. We have positions available for men whose services are not required in the armed forces or who are not engaged in war industries, provided they can meet the high standards applied by the Company in its selection of representatives.

London Life
Insurance Company
Head Office - London, Canada

Great-West Life

Gains Shown in New Business And Total Insurance in Force

New business effected by the Great-West Life Assurance Co. in 1941 totalled $44.5 millions, a gain of $4.4 millions over the previous year. Business in force at Dec. 31 at $622.6 millions was $16.2 millions above the previous figure.

On the basis of business in force the Great-West ranks fourth among Canadian life insurance companies.

It does a large volume of annuity business and, if this is included, the new business placed amounted to $62.7 millions against $53.4 millions on the same basis last year. Business in force, inclusive of annuities, would be $660.4 millions against $640.2 millions at the end of 1940.

Great-West Life was founded in 1891 and started business in 1892. Accordingly at its annual meeting recently it celebrated its 50th anniversary.

The larger part of the company's business is in Canada but it also does a substantial volume of business in eight of the United States.

At the end of 1941 it had in force total business abroad amounting to $153.7 millions, more than 23% of the total business in force.

Total income in 1941 from all sources was $28.2 millions compared with $26.5 millions in 1940.

Total assets on Dec. 31 at over $180 millions were about $7 millions higher than at the close of the previous year.

The company has recently taken out a license to write accident and health business and it is expected that individual and group policies of this class will be issued before long.

Officers—
M. F. Christie, pres.; R. T. Riley and W. P. Riley, vice-pres.; H. W. Manning, gen. mgr.; F. D. MacCharles, gen. mgr. and actuary; A. J. D. Morgan, asst. gen. mgr.; H. A. H. Baker, asst. gen. mgr. and supt. of agencies; Eustace A. Brock, sec.; W. L. Mann, M.D., chief medical referee.

Directors—
Representing shareholders: G. H. Aikins, R. T. Riley, H. E. Sellers, S. L. Cork, W. H. McWilliams, H. F. Osler, G. McLean, all of Winnipeg; Hon. T. A. Crerar, Ottawa, Ont.

Representing policyholders: F. E. Halls, N. J. Breen, M. F. Christie, W. P. Riley, all of Winnipeg.

Field of Operations—
Canada, North Dakota, Minnesota, Michigan, Illinois, Washington, Indiana, Missouri and Ohio, U.S.A.

Capital—Authorized	$1,000,000
Subscribed	1,000,000
Paid-up	1,000,000

Dividends Paid—15% per annum.

Growth of Business

Year	Assets $	Business in Force ($ 000)	†New Ins. Paid for ($ 000)
1912	12,251,932	83,979	20,268
1917	24,385,666	152,643	29,164
1922	49,198,255	318,607	46,467
1927	94,909,289	502,545	66,418
1932	135,738,365	580,537	39,184
1937	156,805,466	567,150	44,999
1938	162,554,770	580,301	46,579
1939	167,456,203	594,585	48,083
1940	173,512,329	606,493	40,105
1941	180,608,957	622,693	44,560

†Paid for excluding annuities, revivals, etc.

Classes of Business Written

	*Effected 1941 $	Business in force Dec. 31/41 $
Ordinary business:		
(a) Participat'g.	28,096,569	426,731,884
(b) Non-partic.	15,110,194	140,963,854
Group	1,353,500	54,996,836
Totals, 1941	44,560,263	622,692,574
1940	40,105,425	606,492,721

*Paid for, exclusive of increases, revivals and annuities.

Analysis of Invested Assets

	1941 %	1940 %	1939 %	1938 %
Bonds:				
Government	36.0	31.8	30.3	29.0
Municipal	7.6	8.4	8.4	9.5
Other	17.6	17.1	15.8	14.5
Total	61.2	57.3	54.5	53.0
Mortgages:				
Farm	9.0	10.3	10.8	11.7
Urban	11.1	11.6	12.4	13.6
Total	20.1	21.9	23.2	25.3
Policy loans	12.3	13.7	14.6	15.7
Stocks:				
(a) Preferred	0.8	0.5	0.4	0.3
(b) Common	1.3	1.4	1.2	1.2
Real estate (incl. H.O.)	2.3	3.1	3.4	3.6
Other	2.0	2.1	2.7	0.9
Total	100.0	100.0	100.0	100.0

Interest earned on net mean ledger assets as reported to Dominion department of Insurance, 1941 4.06%, 1940 4.17%.

Consideration received from annuities, 1941, Ord. $1,123,614; Grp. $181,323.

Foreign business:
(a) In force, Dec. 31, 1941, *$153,717,619.
(b) New business effected, *$19,553,325.

Death claims paid:

	1941	1940
Ordinary	$4,122,118	$4,423,223
Group	405,020	412,066

*Incl. annuities.

Standard Life

The Standard Life Assurance Co. of Edinburgh, Scotland was established in 1825 and began writing insurance in Canada in 1833.

Officers and Directors—
(Canadian branch only)
D. Forbes Angus, chairman; F. E. Meredith, K.C., Walter Molson, A. F. Baillie, W. A. Bog, directors; W. H. Clark Kennedy, mgr.; E. L. Armstrong, agency mgr.; Robert Thomson, sec.

Head Office—Edinburgh.
Head Office for Canada—Montreal.

Growth of Business in Canada

Year	Assets $	Business in Force ($ 000)	New Ins. Effected* ($ 000)
1935	27,136,140	31,087	3,331
1936	27,363,940	33,155	3,588
1937	28,924,059	35,506	3,870
1938	29,311,862	37,403	3,700
1939	28,172,842	38,461	3,118
1940	18,721,250	38,025	2,221

*On basis required by Dominion Dept. of Insurance, i.e. paid for, exclusive of increases, revivals and annuities.

Monarch Life

Gains Shown in Assets And Business in Force

Gains in both new insurance effected and business in force were shown by the Monarch Life Assurance Co. of Winnipeg in 1941. Business in force at the end of the year was over $65 millions while insurance written was $8.1 millions. The company writes both participating and non-participating ordinary insurance. Total assets on Dec. 31 were almost a million dollars higher at $16.6 millions.

Of total invested assets almost 50% are in bonds, this class of investment has been increasing with the company in recent years.

Mortgages on the other hand have been declining and at the end of 1941 were 21.4% of total investments.

The Monarch Life was incorporated by act of parliament in 1904 with head office at Winnipeg. It began writing business in 1906.

During 1941 the rate of interest earned on invested assets at 5.17% was slightly lower than the 5.21% in the previous year. New money during the year was invested mainly in Dominion Government bonds.

Premium income during the year was up substantially at $1.7 million.

Officers—
E. J. Tarr, K.C., LL.D., pres.; W. L. Parrish, vice-pres.; G. C. Cumming, gen. mgr.; Walter Bartholomew, asst. gen. mgr.; Darrell Laird, F.A.S., actuary; G. J. Telfer, sec.

Directors—
Representing shareholders: R. J. Gourlay, W. L. Parrish, E. J. Tarr, K.C., G. H. Stewart, J. A. Flanders, W. T. Gwynn, all of Winnipeg.
Representing policyholders: Peter B. Lowe, D. H. Hudson, J. E. Woods, Winnipeg.

Capital—Authorized	$2,000,000
Subscribed	996,600
Paid-up	173,560

Dividends Paid—$1.20 per annum.

Growth of Business

Year	Assets ($ 000)	*Business in Force ($ 000)	New Ins.* Paid for ($ 000)
1928	8,045	57,542	8,280
1932	10,692	56,347	4,903
1937	13,400	55,632	‡7,815
1938	14,094	56,962	7,042
1939	15,008	59,231	7,580
1940	15,706	61,599	7,713
1941	16,659	65,062	8,199

‡New business placed.
*Including deferred annuities prior to 1937.

Classes of Business Written

	*Effected 1941 $	Business in force Dec. 31/41 $
Ordinary business:		
(a) Participating	6,477,043	49,554,364
(b) Non-partic.	1,721,973	15,507,764
Totals, 1941	8,199,016	65,062,128
1940	7,712,656	61,599,334

*On basis required by Dominion department of insurance, i.e. paid for, exclusive of increases, revivals, and deferred annuities.

Analysis of Invested Assets

	1941 %	1940 %	1939 %	1938 %
Bonds:				
Government	15.0	9.9	6.8	8.4
Municipal	...	...	...	1.8
Other	34.5	33.1	32.5	25.3
Total	49.5	43.0	39.3	35.5
Mortgages:				
Farm	14.0	15.7	16.8	18.6
Urban	7.4	8.7	9.5	10.5
Total	21.4	24.4	26.3	29.1
Policy loans	11.5	12.8	13.3	14.8
Stocks:				
(a) Preferred	6.7	7.2	7.5	7.2
(b) Common	6.3	6.0	5.6	4.7
Real estate	3.8	4.8	6.5	7.2
Other	.8	1.8	1.5	1.5
Total	100.6	100.0	100.0	100.0

Interest earned on net mean ledger assets as reported to Dominion department of insurance: 1941, 5.17%; 1940, 5.21%.

Consideration received from annuities, 1941, $227,512.

Foreign business—(a) Amount in force, Dec. 31, 1941, $2,126,329; (b) new business affected, $66,000.

Death claims paid, 1941, $265,099; 1940, $287,298.

Confederation Life

Insurance in Force Over $439.3 Millions With Total Assets More Than $141 Millions

The Confederation Life Association in 1941 completed 70 years in business. With total insurance in force of $439.3 millions and assets over $141 millions it ranks among the outstanding Canadian life insurance organizations.

The Association was incorporated in April, 1871, and commenced business in October that year. The first policy was issued Nov. 1, 1871 and went to the founder, the late J. K. Macdonald.

In the 70 years the company has been in business it has spread its operations over 23 different countries. Areas in which it operates include Great Britain, New York State, Michigan, Hawaii, Puerto Rico, Mexico, the West Indies, Central and South America, the Far East and Egypt. New business effected in 1941 exclusive of annuities etc. totalled $45.1 millions, compared with $37.2 millions in 1940. Business in force at $439.3 millions was almost $20 millions higher than at the end of the previous year.

Total assets on Dec. 31 amounted to $141.6 millions, an increase of $5.9 millions over the previous year. Of these assets, 69% are in bonds, 42.1% of the total being in government issues. The percentage of bond investments shown is the highest for several years.

Mortgage investments have been declining in recent years and at the end of 1941 were 11.1% of the total.

The rate of interest earned on invested assets during the year was 4.46%, the same as in 1940.

Total income during the year amounted to $23.3 millions against $22.5 millions in 1940. Premium income at $15.5 millions was $489,668 above the previous year.

During 1941, the Association paid out $13.5 millions to policyholders and beneficiaries. At the annual meeting V. R. Smith, general manager, stated that the mortality rate, though favorable, was slightly above 1940 and was affected but little by the war. War claims in 1941 were approximately 5% of the total.

The company writes a considerable volume of annuity business and in addition specializes in group welfare plans including accident and sickness benefits.

Officers—
C. S. Macdonald, pres.; R. S. Waldie and Col. J. F. Michie, vice-pres.; V. R. Smith, gen. mgr.; J. H. Birkenshaw, C. D. Devlin, J. K. Macdonald, J. G. Godsoe, asst. gen. managers; J. L. McLachlin, sec.; B. T. Holmes, actuary.

Directors—
Representing shareholders: C. S. Macdonald, John Firstbrook, J. E. Ganong, F. Grenville Rolph, W. C. Laidlaw, R. V. Le Sueur, V. R. Smith, all of Toronto; P. A. Thomson, Montreal.
Representing policyholders: R. S. Waldie, Col. J. F. Michie, A. C. Matthews, A. F. White, all of Toronto.

Field of Operations—
Canada, Newfoundland, New York State, Michigan, Hawaii and Puerto Rico; Mexico, Bermuda, Cuba, Caracao, Jamaica, Trinidad, Dominican Republic, British Honduras, Guatemala, El Salvador, Canal Zone, Colombia, Great Britain, Hong Kong, China, Malaya, Egypt.

Capital—Authorized	$1,000,000
Subscribed	1,000,000
Paid-up	300,000

Dividends Paid on Capital Stock—$6.00 per annum.

Growth of Business

Year	Assets $	Business in Force ($ 000)	New Ins. Paid for ($ 000)
1912	17,265,975	63,764	12,248
1917	22,329,534	82,274	15,038
1922	33,535,923	154,813	26,088
1927	57,435,782	258,466	30,872
1932	92,232,305	374,071	43,465
1937	120,673,529	411,141	45,369
1938	125,835,403	‡397,845	‡39,425
1939	†129,758,103	‡406,656	‡37,799
1940	†135,044,751	‡419,848	‡37,217
1941	†140,888,645	‡439,357	‡45,123

†As reported to Ins. Dept. excluding accident and sickness branch.
‡Excluding annuities, i.e. on government statement basis.

Classes of Business Written

	Effected* 1941 $	Business in force Dec. 31/41 $
Ordinary business:		
(a) Participating	24,114,616	275,009,016
(b) Non-partic.	18,017,914	120,806,467
Group	2,990,948	43,541,722
Totals, 1941	45,123,478	439,357,205
1940	37,217,303	419,848,854

*Paid for, exclusive of increases, revivals and deferred annuities.

Analysis of Invested Assets

	1941 %	1940 %	1939 %	1938 %
Bonds:				
Government	42.1	38.9	37.1	36.3
Municipal	16.7	18.2	19.1	18.9
Other	9.9	9.7	10.3	11.3
Total	68.7	66.8	66.5	66.5
Mortgages:				
Farm	.8	.9	1.1	1.2
Urban	10.3	11.2	11.7	11.6
Total	11.1	12.1	12.8	12.8
Policy loans	8.8	9.6	9.9	10.9
Stocks	6.1	5.8	5.8	4.9
(a) Preferred	2.3	...	...	...
(b) Common	3.8	...	...	...
Real estate	3.7	3.7	3.3	3.5
Other	1.6	2.0	1.7	1.4
Total	100.0	100.0	100.0	100.0

Interest earned on net mean ledger assets as reported to Dominion department of insurance 1941, 4.46%; 1940, 4.46%.

Consideration for annuities, 1941 $2,175,545.

Foreign business:
(a) Amount in force, Dec. 31/41 ..... $168,586,697
(b) New business effected 18,840,736

Death claims paid 1941, $3,483,289; 1940, $3,349,230.

Aetna Life

Insurance in Force Rises $15 Millions

Insurance effected with the Aetna Life Insurance Co. of Hartford, in Canada in 1941 amounted to $10.3 millions compared with $3.1 millions in the previous year. Insurance in force with the company was $150.9 millions, an increase of more than $15 millions over 1940. Total assets in Canada also rose $1.7 million.

The Aetna Life was first organized as a branch of the Aetna Insurance Co. of Hartford in 1850. It started business in both Canada and the United States the same year. In 1853 it was incorporated under the laws of Connecticut.

Business in force with the Aetna Life in all countries at Dec. 31 was $4.8 billions and total assets $778 millions.

Head Office—Hartford, Conn.
Head Office for Canada—Montreal.
Chief agent in Canada—E. J. Christmas.

Growth of Business in Canada

Year	Assets $	Business in Force ($ 000)	New Ins. Effected ($ 000)
1934	13,987,837	82,776	2,477
1935	13,869,656	84,698	3,882
1936	13,823,673	105,201	3,096
1937	14,286,601	115,466	4,541
1938	14,557,680	123,422	6,688
1939	13,697,762	132,498	6,313
1940	15,476,615	135,021	3,106
1941	17,140,698	150,972	10,356

Entire Operations

Total assets, 1941	$ 778,237,038
Total bus. in force, Dec. 31/41	4,856,799,072
Total new ins. effected 1941*	433,118,857

	1941 %	1940 %	1939 %	1938 %
‡Interest earned	3.70	3.74	3.63	3.79

*On basis required by Dominion department of insurance, i.e. issued, accepted and paid for, exclusive of increases, revivals and deferred annuities.
‡On mean net ledger assets as reported to Dominion department of insurance.

Hamilton's estimated budget for 1942 will amount to $8.8 millions against an actual expenditure of $8.6 millions in 1941. The budget provides for a reduction of 1¼ mills in the tax rate. Mayor Wm. Morrison anticipates that the debenture debt of the city will be reduced by another $2 millions this year.

INDUSTRIAL LIFE
INSURANCE COMPANY
QUEBEC, CANADA
J. K. LEONARD, President

"CANADA'S MOST PROGRESSIVE COMPANY"
OUR RESULTS PROVE IT

	1941	1940	1939
Insurance in Force	34,217,694	25,243,344	19,589,470
Total Income	1,475,192	857,660	690,909
Assets	3,239,130	2,504,652	2,275,385

CLASSES OF BUSINESS:
- Life—Ordinary, Monthly, Weekly.
- Personal, Sickness and Accident.
- Group Facilities—Life, Sickness and Accident, Hospitalization, Surgical Benefits, Annuities.

ESTABLISHED 1906
THE MONARCH LIFE Assurance Company
A PROGRESSIVE CANADIAN COMPANY

For Your DEPENDENTS Today . . .

. . . And Your Own INDEPENDENCE Tomorrow

Only with Life Insurance arranged NOW, can you use the same dollars to best advantage to:

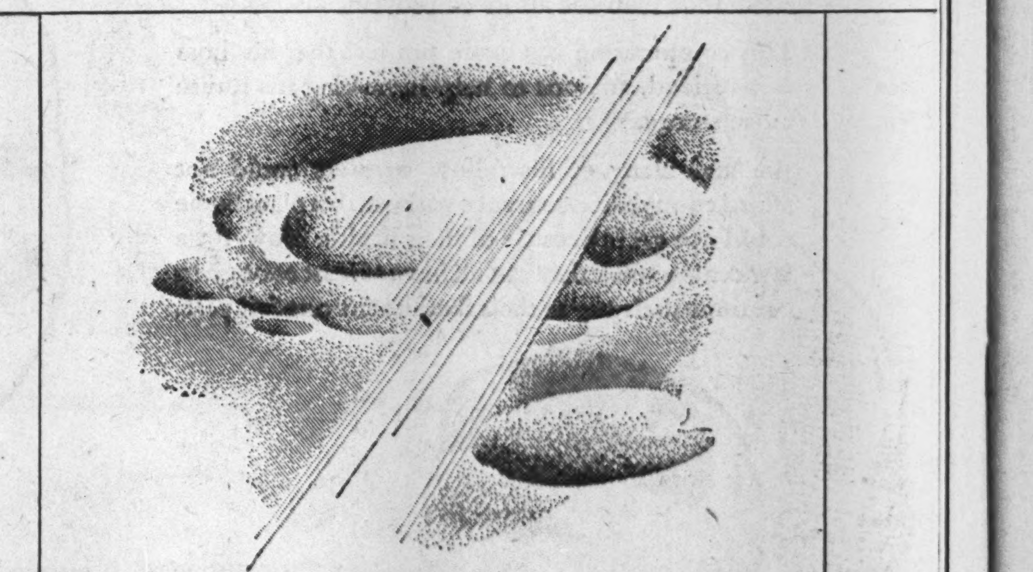
(a) Give your family a regular income in case of your untimely death, or

(b) Assure yourself a living income when your working years are over.

An Equitable policy is quality insurance. The Company maintains a high margin of surplus security for policyholders; earns an excellent return on selected investments; has a stable dividend record based on good mortality and interest; and offers flexible, modernized contracts, that cost no more, yet give liberal privileges to fit your needs.

PROTECTION
THE EQUITABLE LIFE
INSURANCE COMPANY OF CANADA
HEAD OFFICE—WATERLOO, ONTARIO

1871 • 71 Years of Security to Policyowners • 1942



No "Ceiling" on Life Insurance

LIFE Insurance is so essential to national welfare that Canada has not placed a limit on the amount that any man or woman may purchase. Moreover, money invested in Life Insurance directly aids Canada's war effort. A substantial proportion of it is invested in Victory Bonds or other government securities.

There is a steadily increasing demand for Confederation Life Policies because these provide the best assurance of immediate financial protection for dependents and for one's own future financial security.

Confederation Life Policies may be had with Monthly Income Total Disability Benefits.

Before You Insure Consult
Confederation Life Association
HEAD OFFICE TORONTO

Universal Life

The Universal Life Assurance and Annuity Co. began business in 1902. The head office is at Winnipeg. It operates in Manitoba, Bermuda and the West Indies. A short time ago, the president S. C. Tweed died and was succeeded by Senator J. T. Haig.

In 1941, income was $304,320. Total assets are reported at $789,611. Payments to living policyholders, annuitants, etc., in 1941 were $14,885, death claims $1,250.

Officers—
Pres., Senator John T. Haig, K.C.; vice-pres., Dr. W. H. G. Gibbs; treas. and acting manager, E. W. Voelker; sec. and act. supt. of agencies, Frank L. Ernst.

Directors—
Senator John T. Haig, K.C., J. B. Haig, K.C., A. R. Goudie, F. Batty, W. H. G. Gibbs, M.D.

Head Office—Winnipeg.

Analysis of Invested Assets

	1941	1940	1939	1938
Bonds:	%	%	%	%
Government ...	57	37	26	5½
Municipal	5	..	..	..
Other	3	1	1	1½
Total	65	38	27	7
Mortgages:				
Farm	0.5	5	5	8
Urban	15.5	29	35	45
Total	16	34	40	53
Policy loans	16	15	18	22
Real estate	3	13	15	18
Total	100.0	100.0	100,0	100.0

Interest earned on net mean ledger assets as reported to Dominion department of insurance: 1941, 4.73%; 1940, 4.95%.

Consideration received from annuities, 1941, $2,972.

Death claims paid: 1941, $1,250; 1940, $8,845.

Waterloo may have a tax reduction of 2½ mills this year from the 1941 rate of 34 mills, providing the Ontario Government subsidy of 1 mill is paid again, according to Mayor Brill.

Mutual Life of Canada

Insurance in Force Passes $600 Millions — Total Assets Also Show Increase

Insurance in force with the Mutual Life Assurance Co. of Canada in 1941 passed the $600 millions mark, a new high level in the company's history. New insurance effected during the year at $52 millions was also higher than in 1940. The figures are exclusive of all annuities on the basis required by the Dominion Department of Insurance.

Total assets at $207.4 millions were also the highest on record.

The Mutual Life Assurance Co. was organized in 1868 as the Ontario Mutual Life Assurance Co. with head office at Waterloo.

It began business in 1870 when 500 prospective policyholders had pledged themselves to take out policies of $1,000 each. Eight years later a Dominion charter was issued. In 1900 the name was changed to the present one.

The company writes life, endowment and term insurance on all standard forms including double indemnity benefits and premium waiver disability benefits.

Total income in 1941 was $32 millions compared with $31 millions the year before. Policy payments during the year amounted to $13.8 millions compared with $14.6 millions in 1940. The analysis of invested assets shows 62% to be in bonds, 43% of total investments in government issues. This class of investment has been increasing steadily in recent years. Mortgage investments on the other hand have been declining. Mortgage investments at the end of 1941 were 18.7% of the total. Rate of interest earned on ledger assets in 1941 was 4.60% compared with 4.62% in the previous year.

New money received in 1941 was invested in government bonds including $10 millions in the first Victory Loan. Some mortgages on urban real estate were also taken.

The total amount paid by the company to living policyholders, annuitants, etc., in 1941, was $12.9 millions.

Officers—
R. O. McCulloch, pres.; L. L. Lang, 1st vice-pres.; Major Gen. Hon. S. C. Mewburn, K.C., 2nd vice-pres.; W. H. Somerville, gen. mgr.; A. E. Pequegnat, asst. gen. mgr.; H. M. Cook, sec.; J. M. Laing, actuary; H. Homes, assoc. actuary; H. L. Guy, treas.; W. Carlisle, supt. of agencies; J. M. Livingston, M.D., medical dir.

Directors—
R. O. McCulloch, Galt; L. L. Lang, Kitchener; W. G. Watson, Glyn Osler, K.C., W. B. Powell, Hamilton; J. Y. Murdoch, K.C., Toronto; Maj. Gen. S. C. Mewburn, K.C., Hamilton; J. Fred Fraser, Halifax; Isaac Pitblado, K.C., Winnipeg; W. G. Murrin, Vancouver; J. E. Perrault, K.C., Montreal; C. F. Sise, Montreal; W. H. Somerville, Waterloo; G. Glair Gordon, Montreal.

Field of Operations—
Canada, Newfoundland, Bermuda and New York State.

Capital—
None.

Growth of Business

Year	Assets $	Business in Force ($ 000)	New Ins. Paid for ($ 000)
1912	20,071,345	77,921	10,712
1917	32,165,432	123,511	20,673
1922	53,605,630	246,487	31,062
1927	89,233,343	386,712	49,535
1932	132,198,393	517,968	44,039
1937	169,887,078	550,578	*44,697
1938	178,977,223	559,110	*44,857
1939	187,636,589	572,110	*45,527
1940	196,605,418	586,019	*45,615
1941	207,462,475	609,364	*54,108

*Excluding annuities, 1937 to 1941 figures include increases but not revivals.

Classes of Business Written

	*Effected 1941	Business in force Dec. 31/41
Ordinary business:	$	$
(a) Participating ..	40,478,917	565,794,323
(b) Non-partic. ...	2,280,848	15,284,519
Group	9,743,596	28,285,352
Totals, 1941	52,503,361	609,364,194

*Exclusive of all annuities on basis required by Dominion department of insurance, i.e. paid for, exclusive of increases, revivals and annuities.

Analysis of Invested Assets

	1941	1940	1939	1938
Bonds:	%	%	%	%
Government ..	43.2	39.9	36.4	34.9
Municipal	9.7	10.4	11.1	10.8
Other	9.5	9.4	10.4	10.7
Total	62.4	59.7	57.9	56.4
Mortgages:				
Farm	3.4	3.8	4.1	4.4
Urban	15.3	15.4	15.6	16.2
Total	18.7	19.2	19.7	20.6
Policy loans	11.9	13.1	14.1	15.4
Stocks:				
(a) Preferred .	1.0	1.0	1.1	.9
(b) Common ..	3.5	3.6	3.3	2.8
Real estate	1.9	2.7	2.9	2.9
Other	.6	.7	1.0	1.0
Total	100.0	100.0	100.0	100.0

Interest earned on net mean ledger assets as reported to Dominion department of insurance: 1941, 4.60%; 1940, 4.62%.

Consideration received for annuities, 1941, $1,188,500.

Foreign business: (a) Amount in force, Dec. 31, 1941, $21,935,455; (b) New business effected, $2,011,534.

Death claims paid—1941, $4,437,385; 1940, $4,231,255.

Continental Life

Assets and Business in Force Higher

Insurance in force with the Continental Life Insurance Co. at Dec. 31, 1941, totalled $44.6 millions, an increase of almost $2 millions over 1940. New business effected was $5 millions compared with $5.3 millions in the previous year, exclusive of deferred annuities.

Total assets of the company at $11.2 millions were more than $600,000 higher than at the close of the previous year.

The analysis of invested assets shows an increase in bond investments particularly government issues.

The rate of interest earned on net mean ledger assets was 4.78%, compared with 4.74% a year ago.

Total income of the company in 1941 was $11.9 millions compared with $1.8 millions in 1940, and a new high record.

The Continental Life was incorporated by Ontario character in 1899 with head office in Toronto. In 1901 a Dominion license was obtained, since that time the company has expanded its operations to all parts of Canada.

Officers—
Sidney Jones, chm. of board; J. W. Hobbs, pres.; N. J, Lander, vice-pres. and man. dir.; James Hunter, actuary; George Hunt, sec.

Directors—
Representing shareholders: Dr. H. W. Aikins, Sidney Jones, J. W. Hobbs, N. J. Lander, T. D'Arcy Leonard, J. A. Rowland, K.C., all of Toronto; Sir George Garneau, Quebec; C. T. McHattie, Vancouver.
Representing policyholders: E. E. Sharpe, Winnipeg; Lorne Ardiel, J. T. Richardson, G. H. Muntz, all of Toronto.

Growth of Business

Year	Assets $	*Business in Force ($ 000)	New Ins.* Paid for ($ 000)
1912	1,462,367	8,524	1,726
1917	2,372,890	12,031	2,075
1922	3,656,247	20,128	3,192
1927	5,650,119	32,779	5,069
1932	7,722,928	37,433	3,733
1937	9,139,241	38,880	5,913
1938	9,697,333	40,300	5,307
1939	10,124,983	41,007	4,927
1940	10,617,517	42,797	5,323
1941	11,231,186	44,683	5,093

*Excluding deferred annuities 1937 and succeeding years.

Classes of Business Written

	*Effected 1941	Business in force Dec. 31/41
Ordinary business:	$	$
(a) Participating ..	3,766,734	31,347,331
(b) Non-partic. ...	1,326,797	13,284,705
Group	nil	51,000
Totals, 1941	5,093,531	44,683,036
1940	5,323,900	42,797,812

*On basis required by Dominion department of insurance, i.e. paid for, exclusive of increases, revivals and annuities.

Analysis of Invested Assets

	1941	1940	1939	1938
Bonds:	%	%	%	%
Government ...	20.9	19.8	17.5	16.6
Municipal	12.2	12.3	12.5	12.2
Other	14.9	14.3	12.5	12.9
Total	47.9	46.4	42.5	41.7
Mortgages:				
Farm	.2	.1	.2	.2
Urban	17.3	18.4	19.7	21.3
Total	17.6	18.5	19.9	21.4
Policy loans	11.0	12.1	13.2	14.1
Stocks:				
(a) Preferred ..	3.5	3.3	3.6	3.4
(b) Common ..	9.1	9.1	8.4	7.5
Real estate	7.9	9.2	9.5	9.5
Other	2.8	1.4	2.7	2.3
Total	34.4	35.1	37.5	36.8
Grand total ...	100.0	100.0	100.0	100.0

Interest earned on net mean ledger assets as r eported to Dominion department of insurance: 1941, 4.78%; 1940, 4.74%.

Consideration received from annuities, 1941, $57,240.

Foreign business—(a) amount in force, Dec. 31, 1941, $713,708; (b) new business effected, $30,622.

Death claims paid: 1941, $227,828; 1940, $135,970.

T. Eaton Life

Business in Force and New Insurance Higher

The T. Eaton Life Assurance Co. at Dec. 31, 1941, had business in force amounting to $35.8 millions, a gain of about $2 millions over the previous year. New insurance written in 1941 also was higher at $3.3 millions. Total assets on Dec. 31, were $10.4 millions.

This company was originally incorporated under Dominion Charter in 1920. It writes ordinary insurance. Total income in 1941 was $1,452,930 against $1,446,600 in the previous year.

Officers—
R. Y. Eaton, pres.; J. J. Vaughan, 1st vice-pres.; J. D. Eaton, 2nd vice-pres.; J. A. Livingstone, mgr. and sec.-treas.; A. E. Harkness, A.A.S., actuary.

Directors—
Shareholders' directors — R. Y. Eaton, J. J. Vaughan, J. D. Eaton, Lady Eaton, Mrs. J. S. Burnside, J. A. Livingstone, T. C. Eaton, all of Toronto.
Policyholders' directors—J. Elliott, J. G. McKee, T. C. Musgrave, all of Toronto; C. H. Boothe, Hamilton; F. B. Walls, Montreal; R. S. McCordick, Winnipeg.

Capital—Authorized	$500,000
Subscribed	250,000
Paid-up	250,000

Growth of Business

Year	Assets $	*Business in Force ($ 000)	New Ins. Paid for ($ 000)
1922	331,810	1,848	685
1927	1,413,351	12,903	4,351
1932	1,452,397	26,203	2,531
1937	7,343,145	29,850	2,914
1938	8,004,126	31,106	2,925
1939	8,759,648	32,558	3,003
1940	9,713,188	33,885	2,713
1941	10,491,722	35,868	3,350

*Including annuities.

Classes of Business Written

	*Effected 1941	Business in force Dec. 31/41
Ordinary business:	$	$
(a) Participating ..	148,006	6,064,859
(b) Non-partic. ...	2,865,676	27,804,528
Totals, 1941	3,013,682	33,869,387
1940	2,363,672	32,146,602

*On basis required by Dominion department of insurance, i.e. paid for, exclusive of increases, revivals and deferred annuities.

Analysis of Invested Assets

	1941	1940	1939	1938
Bonds:	%	%	%	%
Government ...	49.4	51.6	48.5	46.1
Municipal	1.9	2.0	1.1	1.4
Other	3.3	2.7	3.1	5.2
Total	54.6	56.3	52.7	52.7
Mortgages:				
Urban	26.2	24.1	24.6	24.0
Policy loans	9.3	9.6	9.8	10.5
Stocks:				
(a) Preferred ..	0.7	0.8	1.1	2.1
(b) Common ..	7.3	6.7	6.7	7.9
Real estate	0.8	1.6	1.3	2.2
Other	1.1	0.9	3.8	0.6
Total	100.0	100.0	100.0	100.0

Interest earned on net mean ledger assets as reported to Dominion department of insurance: 1941, 4.55%; 1940, 4.52%.

Consideration received for annuities, 1941, $89,033.

Death claims paid: 1941, $188,351; 1940, $131,949.

Total amount paid by company to living policyholders, annuitants, etc., in 1941, $348,437.

London Life Insurance

For 50th Consecutive Year Business in Force Sets New High Record

For the 50th consecutive year, the London Life Insurance Co. in 1941 showed an increase over the preceding year in business in force. Total assets and new insurance written were also higher.

At the end of 1941, the business in force had passed the three quarter billion mark standing at $769 millions net, an increase of over $71 millions, the greatest in the company's history. New insurance effected at $111 millions was $11 millions higher than in the previous year. The London Life is the third largest Canadian Company.

The London Life was established in 1874 with an Ontario charter. In 1884 a Dominion charter was taken out. Three years later the company began writing industrial insurance which now forms a substantial part of the company's total business.

New money received during the year was placed: 72% in bonds and debentures, 19% in mortgages. Total revenue in 1941 was $30.1 millions. Payments to living policyholders, annuitants, etc., totalled $10.5 millions.

The company increased its holdings of Dominion Government bonds by $15 millions during the year and has subscribed for $12 millions of the second Victory loan, the campaign for which just closed.

Officers—
J. Edgar Jeffery, pres.; Robert H. Reid, man. dir.; J. D. Buchanan, asst. gen. mgr. and chief actuary; O. D. Newton, asst. gen. mgr. and sec.; J. G. Stephenson, asst. gen. mgr. and director of agencies; J. T. Bowman, M.D., med. dir.; J. A. Campbell, actuary; J. H. C. Graham, publicity executive.

Directors—
Representing shareholders—J. E. Jeffery, C. L. Jeffery, Archibald McPherson, R. H. Reid, J. E. Smallman, all of London, Ont. Representing policyholders—T. W. Baker, Toronto; C. H. Ivey, London, Ont.; Lebert H. Jones, London, Ont.

Field of Operations—
Canada.

Capital—Authorized	$1,000,000
Subscribed	500,000
Paid-up	450,000

Dividends Paid on Capital Stock—Rate in 1942 is 20% per annum payable quarterly.

Analysis of Invested Assets

	1941	1940	1939	1938
Bonds:	%	%	%	%
Government ..	47.0	42.6	37.9	35.8
Municipal ...	4.9	5.3	5.4	5.9
Other	4.3	4.6	4.3	2.7
Total	56.2	52.5	47.6	44.4
Mortgages:				
Farm	.5	.4	.6	.6
Urban	29.1	31.8	33.9	36.1
Total	29.6	32.2	34.5	36.7
Policy loans	10.1	11.0	11.9	12.8
Stocks: Common	1.2	1.4	1.4	1.4
Real estate	1.6	2.4	2.8	3.2
Other	1.3	.5	1.8	1.5
Total	100.0	100.0	100.0	100.0

Interest earned on net mean ledger assets as reported to Dominion department of insurance: 1941, 4.68%; 1940, 4.59%.

Consideration received from annuities, 1941, $520,228.

Foreign business—(a) Net amount in force, Dec. 31, 1941, $4,842,832; (b) New business effected, $334,500.

Death claims paid: 1941, $2,985,539; 1940, $2,952,768.

Growth of Business

Year	Assets $	*Business in Force ($ 000)	New Ins.* Paid for ($ 000)
1912	4,059,376	23,265	7,786
1917	8,050,269	50,787	14,539
1922	19,234,188	129,682	33,228
1927	44,068,930	295,906	80,670
1932	77,558,313	471,955	95,684
1937	117,445,684	574,248	88,554
1938	126,476,113	607,621	90,787
1939	134,970,839	643,316	87,236
1940	143,814,578	698,098	100,023
1941	154,805,428	769,214	111,826

*After deducting reinsurance.

Classes of Business Written

Ordinary, Group and Industrial, Participating and Non-participating, also Group Sickness and Accident

	*Effected 1941	Business in force Dec. 31/41
Ordinary business:	$	$
(a) Participating .	51,191,207	353,828,229
(b) Non-partic. ..	4,894,241	122,266,153
Group:		
(a) Participating .	3,362,975	51,022,937
(b) Non-partic. ..	......	377,494
Industrial:		
(a) Participating .	48,796,704	231,646,797
(b) Non-partic. ..	3,580,664	10,072,814
Totals, 1941	111,825,791	769,214,424
1940	100,022,857	698,098,386

*On basis required by Dominion department of insurance, i.e. paid for, exclusive of increases, revivals and annuities and after deducting reinsurance.

Substantial Gains in 1941

Assets now - - - - - -	$789,611
Policy Reserves now - -	631,705
Income - - - - -	304,320
Additional Protection for Policyholders - - - - -	92,583
Payments to Policyholders - -	27,482

During the year the number of Policyholders increased by 4,765 to 22,626.

and

Four new branches were opened—three in the West Indies and one in Canada.

The Universal Life Assurance & Annuity Co.
(Incorporated 1902)
WINNIPEG - CANADA

CONTINENTAL LIFE FOUR SQUARE

Four Square Protection for Yourself and Family

Immediate Protection . . . . Future Independence . . . . Sound Security . . . . Low Cost

A PURELY CANADIAN COMPANY
ESTABLISHED 1899

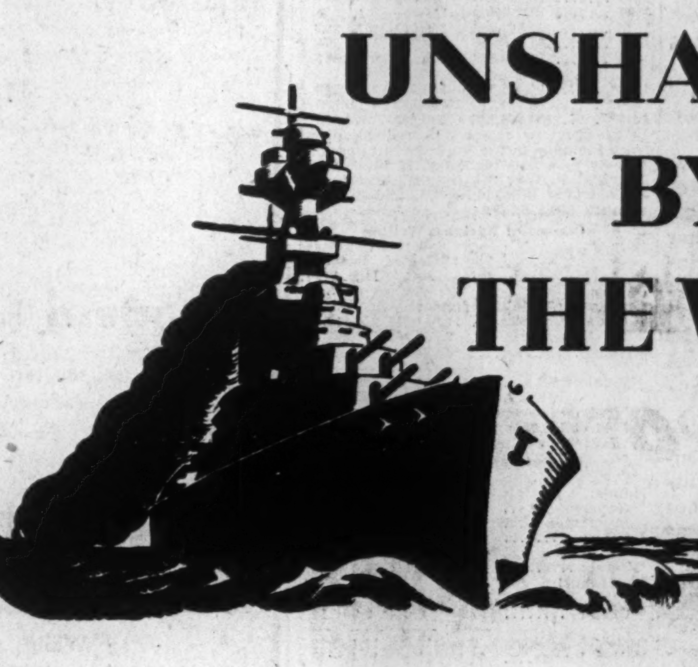
President JOHN W. HOBBS — *Managing Director* NEWTON J. LANDER

THE STANDARD LIFE ASSURANCE COMPANY

THE STANDARD LIFE, EDINBURGH. A mutual Office noted throughout the world for soundness and strength.

HEAD OFFICE: 3 GEORGE STREET, EDINBURGH
HEAD OFFICE FOR CANADA: 391 ST. JAMES STREET, MONTREAL

BRANCH OFFICES are maintained in the following cities:— TORONTO, LONDON, OTTAWA, and HAMILTON, Ont.; MONTREAL, P.Q.; FREDERICTON and SAINT JOHN, N.B.; HALIFAX, N.S.; and VANCOUVER, B.C.



UNSHAKEN BY THE WAR

GROUP INSURANCE SOLVES THE EMPLOYER'S PROBLEM

The death of an employee, probably after a long and costly illness, is an all too frequent problem. Almost 40% of all employees have no life insurance at all and dependents look to you, as an employer, for assistance. You find it difficult to refuse help, but the cost of such assistance over a period of years is substantial.

Many employers have found that Great-West Life Group Insurance is a real saving. It continues the employee's income to his family during the difficult months of adjustment. It solves the employer's problem.

Get in touch with a Great-West Life man. The Group Department of his company will be glad to submit a plan adapted to the needs of your business.

The GREAT-WEST LIFE ASSURANCE COMPANY
HEAD OFFICE — WINNIPEG, CANADA

Get Action—
Get Ediphones!

America's secret weapon is the "neatness and dispatch" with which its executives work — the direct sure way their decisions are translated into action. Ediphone Voice Writing is an effortless way to handle your correspondence, memoranda, instructions — to keep your desk — and your mind — clear. It makes your desk a channel, not a dam. Investigate.

EDISON VOICEWRITER Ediphone

THOMAS A. EDISON OF CANADA LIMITED
Ediphone Division — 610 Bay Street, Toronto

SALES AND SERVICE OFFICES THROUGHOUT CANADA

PREFERENCE FOR EDIPHONE PERSISTS

Imperial Life Assurance

Insurance in Force $290 Millions —Assets Over $100 Millions

Insurance in force with the Imperial Life Assurance Co. of Canada at the end of 1941 totalled $289.8 millions, $7 millions over the previous year. New insurance effected was $23.5 millions, compared with $20.3 millions in 1940.

The company does considerable business in deferred annuities and if these are included in the 1941 figures, business in force would be $310.4 millions and new insurance $25.8 millions.

The company's total cash premium and interest income in 1941 was $13.9 millions, against $14.1 millions in 1940.

Imperial Life with head office at Toronto was organized in 1896 under Dominion charter and has been doing business under Dominion license since 1897. It ranks among the first eight Canadian life insurance companies. It operates outside Canada, almost 25% of its insurance in force being in other countries. These areas outside the Dominion include the West Indies, Bermuda, Central America, Newfoundland, Great Britain, Cuba, New York State and California. Total assets on Dec. 31 were $100.6 millions.

Analysis of the invested assets shows 68% to be in bonds, 43% of the total being in government issues. The bond investments of the company have been steadily increasing for some years. The rate of interest earned on invested assets in 1941 was 4.21%, compared with 4.26% in 1940. New money received by the company in 1941 was invested to a large extent in Victory Loan and other government bonds and high grade public utility and industrial bonds. Some preferred stocks and first mortgages on urban real estate were also acquired.

The company made an analysis of the classes of people buying insurance in 1941 which showed that office workers were the greatest single group of buyers while in the different age groups individuals between 20 and 29 years were the largest buyers.

During the year $4.8 millions was paid to living policyholders, annuitants, etc.

Officers—
J. F. Weston, president; S. J. Moore, F. P. Wood, vice-presidents; G. Cecil Moore, managing director; J. G. Parker, general manager and actuary; Donald Matheson, secretary; H. T. Roesler, treasurer; G. H. Hunt, general superintendent of agencies.

Directors—
Representing policyholders: S. H. Logan, Hon. Charles McCrea, K.C., H. H. Williams, G. Harrison Smith, all of Toronto; Hon. Donat Raymond, Montreal. Representing shareholders: J. P. Bickell, Mark H. Irish, J. W. Mitchell, G. Cecil Moore, S. J. Moore, G. A. Morrow, Graham Morrow, J. F. Weston, F. P. Wood, all of Toronto; John S. Norris, Montreal.

Field of Operations—
Antigua, Bahamas, Barbados, Bermuda, British Honduras, Cuba, Dominica, Dominican Republic, Great Britain, Grenada, Guatemala, Haiti, Jamaica, Newfoundland, St. Kitts, St. Lucia, Trinidad, California, New York State, and all the Provinces of Canada, British Guiana.

Capital—

Authorized	$1,000,000
Subscribed	1,000,000
Paid-up	1,000,000

Growth of Business

Year	Assets $	Business in Force ($ 000)	New Ins. Paid for ($ 000)
1915	11,591,483	48,966	8,485
1920	19,310,403	116,201	28,648
1925	35,047,398	195,068	32,225
1930	62,979,827	300,932	33,504
1935	75,163,593	279,339	21,867
1939*	91,815,796	280,082	21,393
1940*	96,177,799	282,892	20,390
1941*	100,684,636	289,895	23,523

*In previous years deferred annuities were included in the business in force and in new insurance paid for. If these were included in the 1941 figures, business in force would be $310,460,303, and new insurance $25,839,772.

Classes of Business Written

	†Effected 1941 $	†Business in force Dec. 31/41 $
Ordinary (& sinking fund):		
(a) Participating	17,567,617	266,813,088
(b) Non-partic.	2,663,697	15,663,068
Group	*3,292,626	7,419,635
Totals, 1941	*23,523,940	289,895,791
1940	*19,549,647	282,892,230

*Includes coverage on new employees: 1940—1,280,995; 1941—2,606,626.
†Paid for exclusive of annuities, etc.

Analysis of Invested Assets

	1941 %	1940 %	1939 %	1938 %
Bonds:				
Government	43.0	38.1	35.8	33.6
Municipal	6.2	7.3	7.6	8.3
Other	18.8	19.7	19.6	19.0
Total	68.0	65.1	63.0	60.9
Mortgages:				
Farm	1.8	2.0	2.2	2.4
Urban	7.3	8.6	9.9	10.8
	9.1	10.6	12.1	13.2
Policy loans	11.1	12.3	13.4	14.5
Stocks:				
(a) Preferred	1.3	1.3	1.3	1.4
(b) Common	3.6	3.8	3.7	3.3
Real estate	4.4	4.4	4.1	4.1
Other	2.5	2.5	2.4	2.6
Total	100.0	100.0	100.0	100.0

Interest earned on net mean ledger assets as reported to Dominion department of insurance: 1941, 4.21%; 1940, 4.26%.

Consideration received from annuities, 1941—$1,357,373.

Foreign business:
(a) Amount in force, Dec. 31, 1941 .... $69,171,549
(b) New business effected ... 4,797,711

Death claims paid: 1941, $2,268,378; 1940, $2,536,371.

Equitable (Canada)

Gains Shown in Business In Force and New Insurance

Total insurance in force with the Equitable Life Insurance Co. of Canada at the end of 1941 at $42.2 millions was about $845,000 higher than in the previous year, exclusive of deferred annuities in both cases. New insurance effected at $3.2 millions compared with $2.8 millions in the preceding year. Total assets rose about $500,000 to $13.1 millions.

The Equitable Life was organized originally in 1920 with an Ontario charter as the Ontario Equitable Life and Accident Insurance Co. In 1936 a new company was formed with Dominion charter and the name was changed as at present. It took over the old Ontario Equitable. The head office is at Waterloo, Ont. It does not operate outside Canada.

Analysis of the company's investments shows bond investments to be 24.48% of the total. The company does a substantial business in National Housing Act mortgages. Its experience with these has been very satisfactory. These mortgages at the end of 1941 were more than 31% of the total invested assets. Interest earned on invested assets during the year was 5%, the same rate as in the previous year. New money received during the year has been invested in Victory Loans and in further National Housing Act mortgages. Total income of the company at $1.8 millions was $80,138 higher than in 1940.

Payments to living policyholders and annuitants were $556,351. Since organization the company payments under policy and annuity contracts total $10.3 millions.

Officers—
M. J. Smith, pres.; J. C. Breithaupt, J. C. Haight and J. A. Martin, vice-pres.; M. J. Smith, gen. mgr.; E. H. McKinney, supt. of agencies; F. B. Relyea, F.A.S., actuary; F. D. Rueffer, treas.; H. E. Power, sec.; H. G. Mistele, asst. treas.; E. R. Batho, asst. actuary; J. R. Fischer, accountant, W. L. Hilliard, medical director; J. C. Haight, K.C., solicitor.

Directors—
M. J. Smith, Kitchener, J. C. Breithaupt, Kitchener; J. C. Haight, K.C., Waterloo; H. G. Bertram, Hon. F. C. Biggs, Dundas, Ont.; A. W. Briggs, K.C., H. Begg, Toronto; Hon. Harold MacPherson, St. John's, Nfld.; J. A. Martin, Kitchener; E. C. Mitchell, London, Ont.; C. S. Morton, M.B., Halifax; W. E. Payne, K.C., Red Deer Alta.; E. K. Reiner, Wellesley, Ont.; J. M. Walton, Aurora, Ont.

Head Office—
Waterloo, Ont.

Growth of Business

Year	Assets $	Business in Force ($ 000)	New Ins. Paid for ($ 000)
1932	8,238,516	46,700	2,872
1934	9,127,866	40,949	2,940
1935	9,726,741	40,965	*2,642
1937	11,050,079	41,250	3,678
1938	11,592,190	40,773	2,420
1939	12,160,415	41,062	2,956
1940	12,695,621	41,375	2,851
1941	13,181,259	42,220	3,239

*Including annuities, etc.

Classes of Business Written

	*Effected 1941 $	Business in force Dec. 31/41 $
Ordinary business:		
(a) Participating	2,264,135	6,089,501
(b) Non-partic.	974,,725	36,130,524
Totals, 1941	3,238,860	42,220,025
1940	2,851,288	41,375,116

*On basis required by Dominion department of insurance, i.e. paid for, exclusive of increases, revivals and annuities.

Analysis of Invested Assets

	1941 %	1940 %	1939 %	1938 %
Bonds:				
Government	12.3	11.1	12.8	13.9
Municipal	4.9	6.6	6.9	7.6
Other	7.3	8.3	9.7	11.2
Total	24.5	26.1	29.4	32.9
Mortgages:				
N. H. A	31.4	24.4	...	...
Other urban*	23.7	26.7	...	...
Total	55.1	51.2	...	...
Policy loans	10.7	11.8	12.9	14.1
Stocks	.8	.9	.9	1.2
Real estate	3.9	5.0	5.4	4.3
Other	4.9	5.0	5.3	5.7
Total	100.0	100.0	100.0	100.0

*Less than 1% farm mortgages.

Interest earned on net mean ledger assets as reported to Dominion department of insurance: 1941, 5.0%; 1940, 5.0%.

Consideration received from annuities, 1941, $24,325.

Death claims paid: 1941, $309,858; 1940, $292,354.

Commercial Life

Business in force with the Commercial Life Assurance Co. of Canada at the end of 1941 totalled $11.5 millions, compared with $10.4 millions for 1940. New insurance effected in 1941 at $3.7 millions was almost $2 millions higher. Total assets of the company amounted to $2.7 millions, compared with $2.6 millions the previous year.

The Commercial Life was incorporated in 1911 as the Alberta-Saskatchewan Life Insurance Co. In 1919 the name was changed as at present. The head office was moved from Edmonton to Toronto in 1939.

Officers—
R. H. Cautley, pres.; J. W. Glenwright, 1st vice-pres. & man. dir.; W. C. Hodgson, 2nd vice-pres.; E. B. H. Shaver, sec.

Directors—
Dr. N. Allin, R. H. Cautley, H. W. B. Douglas, W. T. Henry, all of Edmonton; H. B. Begg, H. H. Bishop, F. J. Colgan, J. W. Glenwright, W. C. Hodgson, all of Toronto; L. G. Calder, Montreal; F. O. Hodgson, Vancouver; John East, Saskatoon.

Growth of Business

Year	Assets $	Business in Force ($ 000)	New Ins. Paid for ($ 000)
1940	2,697,721	10,313	1,787
1941	2,763,809	11,576	3,701

Classes of Business Written

	*Effected 1941 $	Business in force Dec. 31/41 $
Ordinary business:		
(a) Participating	1,695,383	4,764,448
(b) Non-partic.	1,779,142	4,777,655
Group	227,350	2,034,800
Totals, 1941	3,701,875	11,576,908
1940	1,787,019	10,413,041

On basis required by Dominion department of insurance, i.e. paid for, exclusive of increases, revivals and deferred annuities.

Analysis of Invested Assets

	1941 %	1940 %	1939 %	1938 %
Bonds:				
Government	29.9	27.4	24.3	22.7
Municipal	6.7	5.1	5.3	5.6
Other	14.5	15.6	14.5	12.3
Total	51.1	48.1	44.1	40.7
Mortgages:				
Farm	6.5	7.4	8.0	8.9
Urban	3.4	3.9	4.9	6.9
Total	61.0	59.4	57.1	56.6
Policy loans	11.1	12.2	12.7	13.6
Stocks:				
(a) Preferred	4.5	4.7	5.3	4.9
(b) Common	13.6	14.0	14.1	14.2
Real estate	8.2	8.2	8.7	9.0
Other	1.5	1.4	1.9	1.5
Total	100.0	100.0	100.0	100.0

Interest earned on net mean ledger assets as reported to Dominion department of insurance: 1941, 4.45%; 1940, 4.43%.

Consideration received from annuities, 1941, $30,710.56.

Death claims paid: 1941, $48,093; 1940, $72,235.

Total amount paid to living policyholders, annuitants, etc., in 1941, $266,741.89.

National Life

Business in Force and Total Assets Increase

New insurance effected by the National Life Assurance Co. of Canada in 1941 was $6.7 millions, compared with $5.9 millions in 1940. Insurance in force increased to $65 millions from $62.1 millions. The figures exclude deferred annuities on the basis required by the Dominion Department of Insurance.

The company has been writing insurance in Canada since 1899 under Federal charter. It writes ordinary insurance on a participating and a non-participating basis, and also group insurance. It transacts business outside Canada in Bermuda and Jamaica, the total foreign business being a little over 9% of the total.

Total assets at the end of 1941 amounted to $13.9 millions. Almost 65% of the invested assets was in bonds, 27% of the total being in government issues.

In 1941 the rate of interest earned was 4.73%, compared with 4.83% in 1940.

New money received in 1941 has been invested in Dominion, provincial and corporation bonds, preferred stocks and urban mortgages. Total cash receipts during the year were $2.3 millions, slightly above the figure for the previous year.

Officers—
H. R. Bain, pres.; Robt. Fennell, K.C., vice-pres.; G. Fay Davies, gen. mgr.; M. W. McCutcheon, asst. gen. mgr. and supt. of agencies; J. P. Dandy, F.A.S., F.A.I.A., actuary; R. M. Huestis, supervisor of agencies; H. M. S. Tait, M.D., medical referee; F. E. Fletcher, acting secretary.

Directors—
Representing shareholders: H. R. Bain, Robt. Fennell, K.C., Alfred Rogers, Jr., Frank S. Vanstone, Dana H. Porter, Fraser D. Reid, Toronto. Representing policyholders: Lt.-Col. S. C. Oland, V.D., A.D.C., Halifax; A. H. Beaton, K.C., D. H. Gibson, Toronto.

Field of Operations—
Canada, Bermuda and Jamaica.

Capital—Authorized	$1,000,000
Subscribed	1,000,000
Paid-up	250,000

Growth of Business

Year	Assets $	Business in Force ($ 000)	New Ins. Paid for ($ 000)
1912	2,093,281	18,403	5,379
1917	3,755,420	22,687	4,338
1922	6,155,137	37,129	7,341
1927	8,477,959	48,890	10,332
1932	11,433,390	59,094	8,539
1937	12,238,320	58,038	*6,052
1938	12,280,644	59,194	6,448
1939	12,847,105	62,360	8,949
1940	13,444,346	62,119	5,916
1941	13,978,128	65,075	6,754

*On settled-for basis.

Classes of Business Written

	*Effected 1941 $	Business in force Dec. 31/41 $
Ordinary business:		
(a) Participating	4,456,712	38,152,378
(b) Non-partic.	2,227,234	24,735,423
Group	70,500	2,187,125
Totals, 1941	6,754,446	65,074,926
1940	5,916,142	62,118,870

*On basis required by Dominion department of insurance, i.e. paid for, exclusive of increases, revivals and annuities.

Analysis of Invested Assets

	1941 %	1940 %	1939 %	1938 %
Bonds:				
Government	27.1	23.6	22.4	18.7
Municipal	21.6	25.7	30.7	36.8
Other	16.1	16.3	14.3	11.0
Total	64.8	65.7	67.5	66.5
Mortgages:				
Farm	...	...	...	...
Urban	9.5	6.7	4.3	2.3
Total	9.5	6.7	4.3	2.3
Policy loans	12.2	13.4	13.9	15.2
Stocks:				
(a) Preferred	2.2	1.7	1.6	2.6
(b) Common	6.2	6.6	7.9	8.8
Real estate	2.9	3.0	3.2	3.4
Other	2.2	2.8	1.5	1.2
Total	100.0	100.0	100.0	100.0

Interest earned on net mean ledger assets as reported to Dominion department of insurance: 1941, 4.73%; 1940, 4.83%.

Consideration received for annuities, 1941, $49,334.

Foreign business—(a) amount in force, Dec. 31, 1941, $5,988,531; (b) new business effected, $702,963.

Death claims paid: 1941, $431,281; 1940, $347,106.

Dom. Life Assurance

Business in Force Reaches $196 Millions New Insurance Effected and Assets Up

Insurance in force with the Dominion Life Assurance Co. at the end of 1941 was $196.7 millions, an increase of more than $8 millions over 1940. New insurance effected during the year at $18.8 millions was $3 millions higher than in the previous year. Deferred annuities are included in both cases. The Dominion Life Assurance Co. was organized with head office at Waterloo, Ont., in 1889 by Thomas Hilliard who became president in 1905. Mr. Hilliard retired in 1926 and was succeeded by Ford S. Kumpf, the present head. The company writes life insurance under both participating and non-participating policies and transacts annuities and group insurance. It does business in Newfoundland, Jamaica, Alaska and the states of Michigan and Pennsylvania in addition to Canada. Total assets at the close of 1941 were $49.2 millions, compared with $46.5 millions at the end of 1940. Of total investments, bonds are the biggest single item at 49.3% of the total.

Officers—
Ford S. Kumpf, pres. and man. dir.; A. S. Upton, asst. gen. mgr.; F. L. Whitaker, asst. gen. mgr. and treas.; Herbert Schaus, sec.; A. J. Huenergard, F.A.S., actuary; E. G. Schafer, F.A.S., assoc. actuary; E. S. Reid, A.C.I.S., asst. sec.; J. J. Murray, supt. of agencies; A. J. McGanity, medical referee.

Directors—
Ford S. Kumpf, pres.; Geo. A. Dobbie, Galt, vice-pres.; A. J. Andrews, K.C., Winnipeg; W. L. Hilliard, M.D., Waterloo; J. H. Gundy, Toronto; C. Gordon Cockshutt, Brantford; W. H. Malkin, Vancouver; G. A. Forbes, Hespeler; Hon. W. D. Euler, M.P., Kitchener; J. E. F. Seagram, Waterloo; Hon. Senator A. C. Hardy, P.C., K.C., Ottawa; J. A. Simard, Montreal.

Field of Operations—
Canada, Newfoundland, Jamaica, Alaska and the States of Michigan and Pennsylvania.

Growth of Business

Year	Assets $	Business in Force ($ 000)	New Ins. Paid for ($ 000)
1912	2,873,054	13,936	*2,957
1917	4,650,064	22,272	*4,974
1922	8,232,250	59,608	*13,805
1927	18,890,284	107,364	*23,967
1932	25,850,520	147,721	16,197
1937	36,789,657	172,936	21,257
1938	40,863,057	178,818	17,611
1939	43,875,330	185,202	17,792
1940	46,503,252	188,368	15,877
1941	49,248,,985	196,711	18,835

*Business issued, increased and revived.

Classes of Business Written

	*Effected 1941 $	Business in force Dec. 31/41 $
Ordinary business:		
(a) Participating	13,721,188	143,377,224
(b) Non-partic.	4,870,610	46,427,644
Group	243,000	6,906,376
Totals, 1941	18,834,798	196,711,244
1940	15,877,132	188,368,428

*Including deferred annuities.

Analysis of Invested Assets

	1941 %	1940 %	1939 %	1938 %
Bonds:				
Government	19.48	15.38	12.89	10.13
Municipal	.06	.08	.09	.10
Other	29.84	30.92	31.04	27.75
Total	49.37	46.38	44.02	37.98
Mortgages:				
Farm	3.78	4.01	4.36	4.79
Urban	29.09	30.67	31.45	33.14
Total	32.87	34.68	35.81	37.93
Policy loans	9.92	11.12	11.91	12.98
Stocks:				
(a) Preferred	1.86	1.28	1.48	2.34
(b) Common	1.72	1.77	1.66	1.73
Real estate	3.07	4.03	4.62	4.78
Other	1.18	.74	.50	2.26
Total	100.00	100.00	100.00	100.00

Interest earned on net mean ledger assets as reported to Dominion department of insurance: 1941, 4.55%; 1940, 4.78%.

Consideration received from annuities, 1941, $796,321.

Foreign business—(a) amount in force, Dec. 31, 1941, $29,831,337; (b) new business effected, $5,272,061.

Death claims paid—1941, $1,031,409; 1940, $1,120,820.

Serving Canada since before Confederation

1866 1942

BRITISH AMERICAN BANK NOTE COMPANY LIMITED

The Old Canadian Company

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262 Wellington Street

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HOWARD W. PILLOW, President

CHARLES G. COWAN, Vice-Pres. & Man. Dir.

G. HAROLD BURLAND, Sec.-Treas.

Buy War Savings Certificates and War Savings Stamps

St. Boniface, Man., is carrying on negotiations with bondholders for a new financial agreement for payment of its debenture debts. Mayor Geo. MacLean states that an announcement will be made shortly as to the terms.

* * *

Dundas, Ont., 1942 tax rate has been struck at 38 mills against 39 mills in 1941. Tentative budgets prepared by C. M. Nunn, treasurer, indicate that it would be possible before 1946 a 35 mill rate will be reached.

* * *

Stettler, Alta.—Total collection of all taxes in 1941 represented 105% of the current levy. Tax collections on current account were 91% of the tax roll. Town has a cash surplus of $6,000 or approximately $2,000 better than a year ago.

Your Life Insurance in Wartime

IN TIME OF WAR, the security underlying your life insurance takes on a new meaning. More than ever before, security for the family is paramount.

While supporting that security, your life insurance dollars, invested in Government Bonds, are helping to buy planes, tanks, ships, guns, and all the other implements of war. Thus your life insurance dollars are helping to safeguard your life and to protect your liberties.

At the end of 1941, Metropolitan had a total of $1,319,913,986.74 invested in Canadian and United States Government Bonds... over 23% of the Company's assets.

In both Canada and the United States, life insurance dollars are helping to finance the industries which are pouring out the steel, chemicals, oil, food, munitions, and other materials needed for the war and to finance power production and transportation facilities. Each month more and more of your life insurance dollars are flowing from the channels of peace into investments that serve war uses and war industries.

Because of public appreciation of life insurance, increased efficiency of our agents, and the better national income during 1941, lapses and surrenders were at the lowest rate recorded in the Company's history.

In fulfilling its obligations to policyholders during 1941, Metropolitan paid or credited to policyholders and their beneficiaries more than $567,900,000. Of this amount, more than $383,700,000 was paid or credited to *living* policyholders.

Metropolitan is a mutual company. Its assets are held for the benefit of its policyholders and their beneficiaries. In the meantime, these assets are, as always in the past, being used to help meet national needs.

BUSINESS REPORT FOR THE YEAR ENDING DECEMBER 31, 1941

OBLIGATIONS TO POLICYHOLDERS, BENEFICIARIES AND OTHERS

Policy Reserves Required by Law — This amount, together with future premiums and interest, is required to assure payment of all future policy benefits.	$4,909,535,985.79
Dividends to Policyholders — Set aside for payment in 1942 to those policyholders eligible to receive them.	109,974,302.00
Funds for Future Payment Under Supplementary Contracts — Policy proceeds from death claims, matured endowments and other payments which beneficiaries and policyholders have left with the Company to be paid out to them in future years.	166,485,627.70
Dividends Left with the Company — Amounts of dividends, and interest thereon, left on deposit with the Company.	26,574,405.52
Policy Claims Currently Outstanding — Amount of claims in process of settlement, and estimated amount of claims that have occurred but have not yet been reported to the Company.	24,247,909.86
Other Policy Obligations — Including premiums paid in advance, etc.	18,218,374.00
Taxes Due or Accrued — Includes estimated amount of taxes payable in 1942 on the business of 1941.	12,914,533.00
Reserve for Mortgage Loans — To provide against possible depreciation in value of such loans.	11,000,000.00
Miscellaneous Liabilities — Other liabilities not included above.	21,011,915.49
TOTAL OBLIGATIONS	$5,299,963,053.36

ASSETS WHICH ASSURE FULFILLMENT OF OBLIGATIONS

Government Securities		$1,319,913,986.74
U. S. Government	$1,214,931,424.25	
Canadian Government	104,982,562.49	
Other Bonds		2,091,311,142.34
U. S. State and Municipal	92,949,983.75	
Canadian Provincial and Municipal	102,808,619.82	
Railroad	554,581,646.59	
Public Utilities	801,409,204.15	
Industrial and Miscellaneous	539,561,688.03	
Stocks — All but $128,323.00 are Preferred or Guaranteed.		82,191,836.00
First Mortgage Loans on Real Estate		955,324,104.05
Farms	88,382,977.02	
Other Property	866,941,127.03	
Loans on Policies — Made to policyholders on the security of their policies.		486,834,916.35
Real Estate Owned — Includes Housing Projects, and real estate for Company use.		407,190,758.93
Cash		152,218,269.31
Premiums — Included in determining Policy Reserves, but not yet received.		92,276,856.92
Interest and Rents Due and Accrued, etc.		60,785,325.43
TOTAL ASSETS TO MEET OBLIGATIONS		$5,648,047,196.07

SURPLUS FUNDS $348,084,142.71

The Company holds total assets which exceed the total of its obligations by $348,084,142.71, for the purpose of giving added assurance that all benefits to policyholders and beneficiaries will be paid in full as they fall due. This amount is composed of

Special Surplus Funds . . $7,190,000.00 **Unassigned Funds (Surplus)** . . $340,894,142.71

and serves as a cushion against possible unfavourable experience, whether due to economic conditions or unexpected claims.

NOTE — Assets carried at $256,949,853.57 in the above statement are deposited with various public officials under requirements of law or regulatory authority. Canadian business embraced in this statement is reported on basis of par of exchange.

In Canada

These highlights of the Company's business in the Dominion during 1941 will be of particular interest to Metropolitan Canadian policyholders and their beneficiaries.

There were approximately 2,000,000 Metropolitan policyholders in Canada at the end of 1941.

★ ★ ★

One out of every six persons in Canada is a policyholder in the Metropolitan.

★ ★ ★

Metropolitan invested $28,000,000 in War and Victory Loans up to the end of 1941. (In addition Metropolitan has invested $20,000,000 in the 2nd Victory Loan in February 1942.)

★ ★ ★

Total amount of Metropolitan life insurance owned by Canadians at the end of the year was $1,294,023,576, of which 55½ percent was owned by Ordinary policyholders; 9½ percent by Group policyholders and 35 percent by Industrial policyholders.

★ ★ ★

The total amount the Metropolitan has paid to Canadians since it entered Canada plus the amount now invested in Canada exceeds the total premiums received from Canadians by more than $191,250,000.

★ ★ ★

Metropolitan investments in Canada as of December 31, 1941 totalled $315,369,647.76.

...Dominion Government Bonds	$104,982,562.49
...Provincial and Municipal Bonds	102,808,619.82
...All other investments	107,578,465.45

Metropolitan Life Insurance Company

(*A MUTUAL COMPANY*)

Home Office: NEW YORK

FREDERICK H. ECKER, *Chairman of the Board*

Canadian Head Office: OTTAWA

EDWIN C. MCDONALD, *Vice-President in Charge*

LEROY A. LINCOLN, *President*

METROPOLITAN LIFE INSURANCE COMPANY,
Canadian Head Office,
Ottawa.

Please send me a copy of your annual report to policyholders: "Your Life Insurance in Wartime".

Name ______________________

Street and Number ______________________

City ______________________ *Prov.* ________

North American Life

Increases Shown in Assets, New Insurance And Business in Force

New insurance effected by the North American Life Assurance Co. in 1941 at $25.1 millions exceeded the previous year's figures by $1.9 millions while insurance in force gained $11.6 millions to $238.2 millions. The figures in both cases are exclusive of annuities. Total assets also rose during the year to $71 millions.

The North American Life Assurance Co. was incorporated in 1878 and began business in 1881 under the name of North American Mutual Life Assurance Co. The present title was adopted the following year. The charter provided the company's capital stock or guarantee fund should be redeemable at such time and upon such terms as should be decided by a majority of members. This was effected in 1931 when the company was transformed into a fully mutual organization. The company's capital stock was redeemed out of the accumulated surpluses of the company as provided in the charter.

The company's total income in 1941 was $11 millions, almost the same as in the previous year. Total policy payments of $4.5 millions were slightly lower than in 1940. Total payments to living policyholders, annuitants, etc., in 1941 were over $4 millions.

The analysis of invested assets shows bond investments to be 62% of the total. Mortgages were 17%.

Head Office—Toronto.

Officers—
D. E. Kilgour, pres. and gen. mgr.; A. J. Mitchell and C. L. Burton, vice-presidents; W. M. Anderson, asst. gen. mgr.; E. J. Harvey, chm. agency exec.; E. Morton, adv. mgr.; E. H. Hanley, supt. of agencies; V. X. McEnaney, supervisor field service; T. M. Sargant, agency auditor; W. G. Gallow, secretary; D. T. Weir, asst. sec.; J. S. Kilgour, asst. sec.; M. A. Bradshaw, treas.; J. T. Bryden, asst. treas.; A. F. Hall, actuary; E. D. Gibb, asst. actuary; T. D. Archibald, med. dir.; J. G. Falconer, asst. med. dir.; W. J. Burgar, comptroller. J. A. McCamus, gen. supt. of agencies and G. Ryrie, asst. actuary, on active service.

Directors—
D. E. Kilgour, A. J. Mitchell, C. L. Burton, Hon. G. S. Henry, H. J. Humphrey, A. G. Partridge, N. S. Robertson, W. B. Woods, all of Toronto; W. E. Buckingham, Guelph, Ont.; G. H. Montgomery, Montreal; Christopher Spencer, Vancouver.

Growth of Business

Year	Assets $	Business in Force ($ 000)	New Ins. Paid for ($ 000)
1929	42,135,402	186,281	25,119
1934	48,613,307	182,202	17,068
1937	58,586,179	202,650	22,653
1938	61,794,564	211,275	23,259
1939	65,061,883	[illegible],060	22,252
1940	67,969,282	226,533	23,338
1941	71,747,744	238,272	25,190

Classes of Business Written

	*Effected 1941 $	Business in force Dec. 31/41 $
Ordinary business:		
(a) Participating	20,017,578	200,972,970
(b) Non-partic.	4,676,240	34,076,898
Group	497,167	3,222,406
Totals, 1941	25,190,985	238,272,274
1940	23,246,005	226,532,508

*Exclusive of deferred annuities on basis required by Dominion department of insurance, i.e. paid for, exclusive of increases, revivals and annuities.

Analysis of Invested Assets

	1941 %	1940 %	1939 %	1938 %
Bonds:				
Government	31.3	30.8	29.5	28.6
Municipal	13.9	14.4	15.2	15.8
Other	17.7	15.1	14.3	13.3
Total	62.9	60.3	59.0	57.7
Mortgages:				
Farm	1.5	1.6	2.6	2.9
Urban	15.7	16.7	16.9	16.7
Total	17.2	18.3	19.5	19.6
Policy loans	9.4	10.6	11.4	12.6
Stocks:				
(a) Preferred	2.5	2.6	2.0	2.1
(b) Common	3.4	3.7	3.6	3.7
Real estate	2.3	2.7	3.1	3.4
Other	2.3	1.8	1.4	0.9
Total	100.0	100.0	100.0	100.0

Interest earned on net mean ledger assets as reported to Dominion department of insurance: 1941, 4.58%; 1940, 4.63%.

Consideration received from annuities, 1941, $943,878.

Foreign business: (a) amount in force, Dec. 31, 1941, $31,010,410; (b) new business effected, $4,105,206.

Death claims paid: 1941, $1,329,560; 1940, $1,771,700.

Maritime Life

Insurance in Force $18.8 Millions

The Maritime Life Assurance Co. began business in 1924 under Dominion license, with head office at Halifax.

Total amount paid by the company to living policyholders, annuitants, etc., in 1941, was $69,201.

Officers—
Hon. E. A. Reilly, K.C., chm. of board; J. G. MacDougall, M.D., pres.; H. R. Silver, vice-pres.; Bernard Lockwood, F.I.A., F.F.A., A.A.S., gen. mgr.; C. J. Woods, actuary; Lillian Martin, sec.

Directors—
Hon. E. A. Reilly, K.C., Moncton; J. G. MacDougall, M.D., H. R. Silver, R. B. Colwell, G. H. Murphy, M.D., J. H. Winfield, all of Halifax; Hon. Senator F. B. Black, Sackville; W. F. Fraser, New Glasgow; J. D. McKenna, Saint John; W. H. Miller, Campbellton; Red Hugh McLean, Saint John.

Capital	
Authorized	$1,000,000
Subscribed	1,000,000
Paid-up	250,000

Dividends to Shareholders — 3% paid in 1937, 1938 and 1939. 3% in 1940, paid Feb. 15, 1940. 3% paid each year Feb. 15, 1936/7/8/9, 3% Feb. 15, 1940, 3% Feb. 15, 1941, 3% paid Feb. 16, 1942.

Growth of Business

Year	Assets $	Business in Force ($ 000)	New Ins. Paid for ($ 000)
1933	1,497,834	12,217	1,412
1938	2,686,769	*16,865	*2,448
1939	2,992,072	**16,886	**1,906
1940	3,311,586	**17,716	**1,750
1941	3,690,228	**18,820	**1,976

*Including deferred annuities.
**Exclusive of deferred annuities.

Classes of Business Written

	*Effected 1941 $	Business in force Dec. 31/41 $
Ordinary business:		
Non-participating	1,910,518	18,672,435
Group	65,500	147,500
Totals, 1941	1,976,018	18,819,935
1940	1,832,089	17,716,173

On basis required by Dominion department of insurance, i.e. paid for, exclusive of increases, revivals and deferred annuities.

Analysis of Invested Assets

	1941 %	1940 %	1939 %	1938 %
Bonds:				
Government	23.3	18.9	28.7	29.6
Municipal	16.3	16.7		
Other	25.3	25.6	27.9	28.9
Total	64.9	61.2	56.7	58.5
Mortgages:				
Urban	6.9	6.8	8.6	8.9
Policy loans	6.5	7.2	7.1	7.5
Stocks:				
(a) Preferred	5.6	6.0	6.6	6.3
(b) Common	8.2	9.7	10.0	10.2
Agreement of sale	.01	....	....	....
Other	7.9	8.6	10.6	8.1
Total	100.0	100.0	100.0	100.0

Interest earned on net mean ledger assets as reported to Dominion department of insurance: 1941, 4.70%; 1940, 4.89%.

Consideration received from annuities, 1941, $12,794.

Foreign business—(a) amount in force, Dec. 31, 1941, $4,063,509; (b) new business effected, $105,986.

Net death claims paid: 1941, $58,740; 1940, $61,209.

Dominion of Canada

The Dominion of Canada General Insurance Co. is a Canadian company writing fire insurance and various lines of casualty insurance in addition to life.

It was incorporated in 1887 as the Manufacturers' Accident Insurance Co. The name later was changed to Dominion of Canada Guarantee and Accident Insurance Co., and in 1929 to the present one. The company has shown consistent growth in recent years.

Head Office—Toronto.

Officers—
Geo H. Gooderham, pres.; Col. A. E. Gooderham and D. G. Ross, vice pres.; H. W. Falconer, man. dir.; J. C. Dodds, treas.; J. C. Stuart, gen. supt.; J. E. White, actuary.

Directors—
Col. G. G. Blackstock, E. D. Gooderham, J. P. Nicholls, F. E. Bronson, H. S. Gooderham, A. F. Ball.

Growth of Business

Year	Assets $	Business in Force* ($ 000)	New Ins. Paid for* ($ 000)
1933	813,704	8,086	1,337
1934	935,906	8,894	1,669
1935	1,090,351	9,657	1,615
1936	1,305,000	10,719	1,972
1937	1,534,475	12,006	2,343
1938	1,730,353	13,045	2,060
1939	2,022,443	14,108	1,941
1940	2,261,547	14,522	2,082
1941	2,563,224	15,956	2,184

*Including deferred annuities.

Classes of Business Written

	*Effected 1941 $	Business in force Dec. 31/41 $
Ordinary business:		
Non-partic.	2,183,901	15,710,852
Group	......	244,875
Totals, 1941	2,183,901	15,955,727

*Inclusive of deferred annuities.

Analysis of Invested Assets

	1941 %	1940 %	1939 %	1938 %
Bonds:				
Government	27.6	21.4	15.7	14.9
Municipal	7.5	8.9	10.2	11.9
Other	31.5	33.7	35.3	34.9
Total	66.6	65.0	61.2	61.7
Mortgages:				
Urban	2.8	3.5	4.5	5.8
Total	2.8	3.5	4.5	5.8
Stocks:				
(a) Preferred	12.5	12.7	13.5	9.3
(b) Common	3.8	4.2	5.3	5.8
Real estate	.2	.1	.2	.3
Other	5.4	6.5	5.6	6.3
Total	30.6	32.5	34.3	32.5

Interest earned on net mean ledger assets as reported to Dominion department of insurance: 1941, 4.52%; 1940, 4.58%.

Consideration received from annuities, 1941, $4,546.

Foreign business—(a) Amount in force, Dec. 31, 1941, $1,366,594; (b) New business effected, $188,909.

Death claims paid—1941, $45,031; 1940, $29,159.

Total amount paid to living policyholders, annuitants, etc., in 1941, $95,999.

Northern

Business in Force Up $2.5 Millions in 1941

Business in force with the Northern Life Assurance Co. of London, Ont., on Dec. 31, amounted to $52.7 millions, compared with $50.2 millions at the close of the previous year, a gain of $2.5 millions. The figures are exclusive of deferred annuities and the gain is the largest in the last 10 years of the company's operations. New insurance effected in 1941 at $5.4 millions, compared with $5.7 millions in the previous year.

Among the invested assets, bonds of Dominion and Provincial Governments, municipalities and other high-grade bonds were the biggest single item forming 39% of the total. Mortgages were 35.5% of the total.

Officers—
R. G. Ivey, K.C., pres.; W. E. Robinson, vice-pres.; G. W. Geddes, F.A.S., gen. mgr.; C. C. Martin, supt. of agencies; H. L. Sharpe, F.A.S., actuary; R. C. Balfour, sec.

Directors—
Representing shareholders — R. G. Ivey, Ray Lawson, J. E. McConnell, W. E. Robinson, F. A. McCormick, Septimus Thompson, M.D., all of London. Representing policyholders—J. S. Moore, Major G. J. Ingram, J. G. Thompson, London.

Capital	
Authorized	$1,000,000
Subscribed	1,000,000
Paid-up	250,000

Dividends to Shareholders — None being paid.

Growth of Business

Year	Assets $	Business in Force ($ 000)	New Ins. Paid for ($ 000)
1912	1,810,228	9,007	2,205
1917	3,090,779	12,437	3,298
1922	4,495,263	30,464	9,644
1927	6,288,065	44,821	17,037
1932	8,820,622	48,854	4,157
1937	10,322,735	46,382	*5,838
1938	10,969,692	48,620	6,047
1939	11,367,453	50,030	*5,495
1940	11,714,176	50,245	5,743
1941	12,244,265	52,714	5,498

*Includes commuted value of deferred annuities.

Classes of Business Written

	*Effected 1941 $	Business in force Dec. 31/41 $
Ordinary business:		
(a) Participating	3,706,125	36,026,186
(b) Non-partic.	1,539,332	14,044,604
Group	252,550	2,643,500
Totals, 1941	5,498,007	52,714,290
1940	5,743,920	50,245,980

*On basis required by Dominion department of insurance, i.e. paid for, exclusive of increases, revivals and annuities.

Analysis of Invested Assets

	1941 %	1940 %	1939 %	1938 %
Bonds:				
Government	27.7	21.3	17.2	16.9
Municipal	5.7	6.8	4.9	6.1
Other	5.8	6.8	6.7	5.8
Total	39.2	35.0	28.8	28.8
Mortgages:				
Farm & urban	35.5	35.2	37.9	40.9
Total	35.5	35.2	37.9	40.9
Policy loans	12.7	13.9	14.9	16.1
Stocks:				
(a) Preferred	.8	.8	.9	1.5
(b) Common	4.1	5.0	4.8	4.4
Real estate	3.2	5.3	5.8	5.6
Other	4.3	4.8	6.7	2.4
Total	100.0	100.0	100.0	100.0

Interest earned on net mean ledger assets as reported to Dominion department of insurance: 1941, 4.56%; 1940, 4.47%.

Consideration received from annuities, 1941, $52,454.15.

Foreign business—(a) amount in force, Dec. 31, 1941, $3,577,992; (b) new business effected, $1,047,164.

Death claims paid: 1941, $250,700; 1940, $327,943.

Sovereign Life

Insurance in Force Up —Assets Also Higher

New business amounting to $5.1 millions was effected by the Sovereign Life Assurance Co. of Winnipeg, in 1941. This compares with $4.6 millions effected in the previous year.

The Sovereign Life was incorporated in 1902, the first head office being in Toronto. In 1912 the head office was moved to Winnipeg and the company rapidly expanded its operations in the West. It transacts business in all provinces except Nova Scotia and Prince Edward Island. It writes all classes of ordinary life insurance but does not write business outside Canada.

Officers—
W. Sanford Evans, pres.; E. W. Montgomery, M.D., William Whyte, vice-presidents; M. D. Grant, F.I.A., man. dir.; John Turnbull, F.A.S., actuary; Ernest Atkins, sec.; J. J. Douglas, treas.; H. M. Meiklejohn, supt. of agencies; E. W. Montgomery, M.D., medical dir.; J. W. Taylor, chief accountant.

Directors—
Representing shareholders: E. W. Montgomery, M.D., John Martin, John W. Horn, Roy W. Milner, M. D. Grant, all of Winnipeg; C. D. Grayson, Moose Jaw. Representing policyholders: E. E. Sharpe, K.C., W. Sanford Evans, LL.D., William Whyte, all of Winnipeg.

Field of Operations—
Ontario, Quebec, Manitoba, Saskatchewan, Alberta, British Columbia and New Brunswick.

Capital	
Authorized	$1,000,000
Subscribed	840,600
Paid-up	209,995

Dividends Paid on Capital Stock—$1.25 per annum.

Growth of Business

Year	Assets $	Business in Force ($ 000)	New Ins. Paid for ($ 00)
1912	945,739	3,850	831
1917	1,578,841	7,627	1,780
1922	2,474,693	16,485	2,621
1927	4,235,835	23,571	2,985
1932	5,978,885	26,025	2,916
1937	6,775,436	30,510	6,121
1938	7,169,820	31,518	5,467
1939	7,655,351	32,526	5,128
1940	8,020,219	34,587	5,629
1941	8,644,043	*37,693	*6,227

*Includes deferred annuities.

Classes of Business Written

	*Effected 1941 $	Business in force Dec. 31/41 $
Ordinary business:		
(a) Participating	4,029,892	22,972,051
(b) Non-partic.	1,091,160	8,698,324
Totals, 1941	5,121,052	31,670,375
1940	4,664,198	29,231,269

*On basis required by Dominion department of insurance, i.e. paid for, exclusive of increases, revivals and annuities.

Analysis of Invested Assets

	1941 %	1940 %	1939 %	1938 %
Bonds:				
Government	16.9	13.0	12.3	11.5
Municipal	9.6	10.2	10.3	11.8
Other	18.4	16.6	15.1	9.9
Total	44.9	39.8	37.7	33.2
Mortgages:				
Farm	9.1	10.3	11.7	14.0
Urban	8.4	10.4	11.5	13.6
Total	17.5	20.7	23.2	27.6
Policy loans	9.2	10.4	10.9	12.7
Stocks:				
(a) Preferred	7.1	7.3	7.2	5.6
(b) Common	9.2	9.3	9.2	9.0
Real estate	10.3	11.0	10.3	8.8
Other	1.8	1.5	1.5	3.1
Total	100.0	100.0	100.0	100.0

Interest earned on net mean ledger assets as reported to Dominion department of insurance: 1941, 5.40%; 1940, 5.12%.

Consideration received from annuities, 1941, $254,793.

Death claims paid: 1941, $149,889; 1940, $131,782.

Empire Life

The Empire Life Insurance Co. was incorporated and began business in 1923, the head office being in Toronto. In 1929 it absorbed the Commonwealth Life and Accident Insurance Company of Hamilton. In 1936 when it took over the assets and business of the Mutual Relief Life Insurance Co. of Kingston, the head office of Empire Life was moved to Kingston.

Head Office—Kingston, Ont.

Officers—
Charles P. Fell, pres.; A. H. Keith Russell, 1st vice-pres.; J. M. Campbell, 2nd vice-pres.; L. T. Boyd, gen. mgr.; H. H. Blakeman, actuary; J. R. Paterson, treas.; J. S. Delahaye, medical referee.

Directors—
C. P. Fell, A. H. Keith Russell, George M. Orr, D. R. McLaughlin, Newman A. Fairhead, A. Bruce Matthews, of Toronto; D. W. McCormick, Galt; George J. Guy, Port Nelson; J. M. Campbell, Kingston.

Growth of Business

Year	Assets $	Business in Force ($ 000)	Issued & Revived ($ 000)
1930	1,878,298	20,117	4,832
1932	2,353,794	17,044	2,546
1937	8,950,249	35,525	4,421
1938	9,400,123	37,917	*5,226
1939	9,852,440	38,115	*3,902
1940	10,131,642	38,683	*3,952
1941	10,589,298	38,929	5,005

*Excluding increases and revived policies and annuities.

Classes of Business Written

	*Effected 1941 $	Business in force Dec. 31/41 $
Ordinary business:		
(a) Participating	4,181,061	20,409,681
(b) Non-partic.	814,559	18,495,100
Group	9,000	24,500
Totals, 1941	5,005,000	38,929,000
1940	3,952,000	38,683,000

*On basis required by Dominion department of insurance, i.e., paid for, exclusive of increases, revivals and deferred annuities.

Analysis of Invested Assets

	1941 %	1940 %	1939 %	1938 %
Bonds:				
Government	24.0	20.4	16.3	18.3
Municipal	14.6	15.5	16.2	18.4
Other	25.7	26.6	23.9	21.1
Total	64.3	62.5	56.4	57.8
Mortgages:				
Urban	13.8	14.4	17.5	15.4
Total	13.8	14.4	17.5	15.4
Policy loans	8.5	8.9	9.2	9.5
Stocks:				
(a) Preferred	1.6	1.5	.9	.9
(b) Common	6.4	7.1	7.9	9.9
Real estate	3.7	4.7	5.1	5.6
Other	1.7	.9	3.0	.9
Total	100.0	100.0	100.0	100.0

Interest earned on net mean ledger assets as reported to Dominion department of insurance: 1941, 4.59%; 1940, 4.86%.

Consideration received from annuities: 1941, $52,830.

Foreign business:
(a) Amount in force, Dec. 31/41 $341,570
(b) New business effected 2,000

Death claims paid: 1941, $474,421; 1940, $450,041.

Total amount paid by company to living policyholders, annuitants, in 1941, $248,547.

Equitable U. S.

Equitable Life Assurance Society of the United States ceased writing business in Canada in 1920, it continues, however, to service the business in force in this country.

Entire Operations U. S. and Canada

	Total Assets $000,000	Business in Force $000,000	New* Business $000,000
1936	1,984	6,411	456
1937	2,105	6,734	500
1938	2,260	6,749	415
1939	2,401	6,936	380
1940	2,564	7,136	380
1941	2,741	7,607	450

*U. S. only.

Crown Life Insurance

Insurance In Force Reaches New High — Assets Also Are Higher

Insurance in force with the Crown Life Insurance Co. at the end of 1941 amounted to $237.7 millions exclusive of annuities, increases and revivals. This is the highest figure in the history of the company and an increase of $17.3 millions over the previous year. If annuities are included total insurance in force is over $251 millions.

Assets of the company also increased during the year, being $48.1 millions at Dec. 31, compared with $42 millions the year before.

The Crown Life was organized in 1900 under Dominion charter but did not commence writing business until 1901. It has made rapid progress in recent years.

It writes life, endowment and term insurance under all regular plans, participating and non-participating. It also writes group insurance and annuities. Double indemnity accident and total disability benefits may be added subject to payment of an extra premium. The company in addition to Canada, operates in Great Britain, Newfoundland, the States of Michigan, Ohio and Washington in the territory of Hawaii and Puerto Rico, the West Indies and India.

Officers—
Hon. G. Howard Ferguson, pres.; C. W. Somers, 1st vice-pres.; H. D. Burns, 2nd vice-pres.; H. R. Stephenson, gen. mgr.; R. T. Crouch, treas.; E. J. S. Brown, supt. of agencies; F. W. Hill, actuary; H. D. Delamere, medical officer; P. McDonald, secretary; J. D. Jamieson, mgr. of mtge. dept.; W. D. Stewart, asst. treas.; A. F. Williams, agency supervisor.

Directors—
Hon. G. Howard Ferguson, C. W. Somers, H. D. Burns, H. R. Stephenson, all of Toronto; G. A. Morson, Havana; G. O. Somers, Pasadena; Norman F. Wilson, Ottawa. Representing policyholders: F. Erichsen-Brown, G. E. Spragge, W. F. Watkins, all of Toronto; Hon. E. L. Patenaude, Montreal; W. M. Crawford, Vancouver.

Field of Operations—
Canada (all provinces); Great Britain, Newfoundland; the states of Michigan, Ohio and Washington, and the territory of Hawaii, U.S.A.; Puerto Rico, West Indies; India.

Capital	
Authorized	$1,000,000
Subscribed	552,500
Paid in	276,440

Dividends Paid—Per annum, 12% cash.

Growth of Business Including Deferred Annuities

Year	Assets $	Business in Force ($ 000)	New Ins. Paid for ($ 000)
1912	1,233,901	10,016	3,292
1917	2,248,896	15,374	3,646
1922	4,789,563	34,460	7,551
1927	10,383,194	87,877	22,547
1932	17,892,631	137,181	19,615
1937	30,771,878	188,300	32,186
1938	34,433,027	203,340	32,455
1939	38,588,099	219,884	34,757
1940	42,906,745	233,154	32,043
1941	48,163,679	251,326	34,976

Classes of Business Written

	*Effected 1941 $	Business in force Dec. 31/41 $
Ordinary business:		
(a) Participating	16,593,806	138,062,132
(b) Non-partic.	15,887,966	98,182,933
Group	169,500	1,484,015
Totals, 1941	32,651,272	237,729,080
1940	29,903,908	220,425,366

*Exclusive of deferred annuities on basis required by Dominion department of insurance, i.e. paid for, exclusive of increases, revivals and annuities.

Analysis of Invested Assets

	1941 %	1940 %	1939 %	1938 %
Bonds:				
Government	31.8	32.3	32.0	32.2
Municipal	4.6	5.7	5.4	5.0
Other	13.7	14.6	13.7	10.8
Total	50.1	52.6	51.1	48.0
Mortgages:				
Urban	25.1	27.8	29.0	32.0
Policy loans	10.0	12.1	12.0	12.4
Stocks:				
(a) Preferred	2.2	1.8	2.0	2.0
(b) Common	3.5	3.7	3.5	3.3
Real estate	1.4	2.0	2.4	2.3
Other	7.7	...	...	...
Total	100.0	100.0	100.0	100.0

Interest earned on net mean ledger assets as reported to Dominion department of insurance: 1941, 4.63%; 1940, 4.73%.

Consideration received from annuities, 1941, $845,907.

Foreign business—(a) amount in force, Dec. 31, 1941, $86,281,311; (b) new business effected, $12,433,385.

Death claims paid: 1941, $1,224,406; 1940, $1,125,454.

Industrial Life

The Industrial Life was established in 1905 with head office in Quebec City. It operates in Quebec province only and writes ordinary, group and industrial insurance.

Total assets at Dec. 31 were $3.2 millions, about $700,000 more than at the end of the previous year.

Officers
J. K. Leonard, pres. and man. dir.; C. E. Taschereau, vice-pres.; Claude Taschereau, sec. & treas.; A. F. Muth, actuary.

Directors—
Olivier Drouin, S. Gaudreau, M.D., J. K. Leonard, B. J. Leonard, E. Leonard, A. F. Muth, C. E. Taschereau, C. Taschereau, A. Taschereau.

Field of Operations—
Quebec Province.

Growth of Business

Year	Assets $	Business in Force ($ 000)	New Ins. Paid for ($ 00)
1937	1,950,543	14,320	6,027
1938	2,109,381	16,434	7,425
1939	2,275,385	19,639	6,417
1940	2,506,045	25,243	9,330
1941	3,239,130	34,218	13,199

Classes of Business Written

	*Effected 1941 $	Business in force Dec. 31/41 $
Ordinary business:		
(a) Participating (b) Non-partic.	6,029,772	12,141,192
Group	403,500	311,000
Industrial	6,785,324	21,765,502
Totals, 1941	13,218,596	34,217,694
1940	9,330,176	25,243,444

*On basis required by Dominion department of insurance, i.e. paid for, exclusive of increases, revivals and deferred annuities.

Analysis of Invested Assets

	1941 %	1940 %	1939 %	1938 %
Bonds:				
Government	9.9	6.4	2.2	0.5
Municipal	25.1	18.9	19.8	18.7
Other	33.3	31.0	31.9	34.1
Total	68.3	56.3	53.9	53.3
Mortgages:				
Urban	17.7	24.9	27.5	26.4
Policy loans	2.7	3.3	3.0	3.1
Stocks:				
(a) Preferred	1.4	1.4	1.1	1.2
(b) Common	3.6	4.3	5.1	5.5
Real estate	4.6	7.2	7.8	9.7
Other	1.7	2.6	1.6	.8
Total	100.0	100.0	100.0	100.0

Interest earned on net mean ledger assets as reported to Quebec department of insurance: 1941, 5.05%; 1940, 5.1%.

Consideration received from annuities, 1941 $389,901.

Death claims paid: 1941, $112,674; 1940, $140,120.

Toronto Mutual

The Toronto Mutual originally was organized in 1898 as the life insurance department of the Ancient Order of Foresters. In 1934 it was incorporated as the Ancient Foresters Mutual Insurance Co. and in 1939 the name was changed to the present one.

Officers—
J. W. B. Ford, pres.; Charles Fry, 1st vice-pres.; H. W. B. Boynton, 2nd vice-pres.; C. G. Dynes, K.C., chm. of board; L. G. Nicholls, sec.; J. D. Buchanan, consulting actuary; W. W. Dow, medical examiner.

Directors—
J. W. B. Ford, Charles Fry, H. W. B. Boynton, C. G. Dynes, L. G. Nicholls, E. L. Box, W. R. Davis, T. Collins, J. A. Harcourt, M.D.

Growth of Business

Year	Assets $	Business in Force ($ 000)	New Ins. Paid for ($ 000)
1935	1,397,650	5,836	1,953
1936	1,463,888	6,327	2,053
1937	1,540,173	7,090	1,934
1938	1,602,601	7,528	2,024
1939	1,642,258	7,973	1,742
1940	1,672,806	8,832	1,930
1941	1,753,165	9,813	2,143

Analysis of Invested Assets

	1941 %	1940 %	1939 %	1938 %
Bonds:				
Government	28.8	22.2	18.5	17.9
Municipal	19.4	22.6	24.2	24.9
Other	5.7	4.6	4.9	4.3
Total	53.9	49.4	47.6	47.1
Mortgages:				
Urban	25.4	26.0	25.6	28.2
Policy loans	10.5	11.2	11.7	11.8
Stocks:				
(a) Preferred	0.3	0.3	0.3	...
(b) Common	4.2	3.6	3.2	...
Real estate	5.7	9.5	11.6	...
Total	100.0	100.0	100.0	100.0

Interest earned on net mean ledger assets as reported to Dominion department of insurance: 1941; 4.82%; 1940, 5.46%.

Death claims paid: 1941, $59,606; 1940, $61,649.

Amount paid living policyholders, etc., in 1941, $89,200.

Western Life

Insurance in Force Up to $7 Millions

Although new insurance written by the Western Life Assurance Co. of Canada in 1941 was slightly below that of the previous year, insurance in force increased to $7.3 millions. Assets at $1.2 millions were slightly lower than at the end of 1940.

Head Office—Hamilton.

Officers—
H. H. Gray, pres. and man. dir.; Dr. G. E. Greenway, chm. of the board; A. R. Goudie, 1st vice-pres.; Dr. O. A. Cannon, 2nd vice-pres.; O. S. McCombie, sec.

Directors—
H. H. Gray, G. E. Greenway, A. R. Goudie, O. A. Cannon, Dr. C. N. M. Black, R. M. Willes Chitty, K.C., N. F. Firth, J. C. Haig, Hon. J. T. Haig, K.C., F. Harding, C. W. Howe, Dr. C. W. Prowd.

Growth of Business

Year	Assets $	Business in Force ($ 000)	New Ins. Paid for ($ 000)
1938	1,305,113	5,772	1,875
1939	1,265,689	6,645	2,247
1940	1,263,816	7,056	2,016
1941	1,245,558	7,304	2,002

Classes of Business Written

	*Effected 1941 $	Business in force Dec. 31/41 $
Ordinary business:		
(a) Participating	1,427,781	4,639,110
(b) Non-partic.	509,435	2,664,534
Totals, 1941	1,937,219	7,303,644
1940	2,016,213	7,055,777

*On basis required by Dominion department of insurance, i.e. paid for, exclusive of increases, revivals, and deferred annuities.

Analysis of Invested Assets

	1941 %	1940 %	1939 %	1938 %
Bonds:				
Government	12.8	11.6	10.2	10.2
Municipal	11.4	10.7	10.1	9.9
Other	2.5	1.3	1.1	1.3
Total	26.7	23.6	21.5	21.5
Mortgages:				
Farm	0.3	...	0.6	0.5
Urban	40.2	37.9	40.2	37.1
Total	40.5	37.9	40.8	37.6
Policy loans	11.5	11.5	12.7	16.7
Stocks:				
Common	1.2	0.7	0.9	1.1
Real estate	19.0	17.9	16.2	14.6
Other	0.8	8.1	7.7	8.2
Total	32.5	38.2	37.5	40.6

Interest earned on net mean ledger assets as reported to Dominion department of insurance: 1941, 5.37%; 1940, 4.45%.

Death claims paid: 1941, $50,954; 1940, $16,609.

La Sauvegarde

La Sauvegarde Insurance Co. was organized and began business under Quebec charter in 1903. The head office is at Montreal. In 1911 it was reincorporated with Dominion charter.

At the close of 1941 total assets amounted to $7.6 millions.

Officers—
Narcisse Ducharme, pres. & mgr.; L. M. Lymburner, 1st vice-pres.; Alphonse Milette, 2nd vice-pres.; Jean Pasquin, sec.; Pierre Camu, actuary; E. P. Benoit, medical director.

Directors—
Representing shareholders: Narcisse Ducharme, L. M. Lymburner, C. A. Roy, all of Montreal; Alphonse Milette, Montreal; Paul Drouin, K.C., Quebec; Hon. Gustave Lacasse, M.D., Tecumseh, Ont. Representing policyholders: R. R. Bachand, N.P., Waterloo, Que.; Adjutor Cote, N.P., Montreal; Arthur Vallee, K.C., Outremont.

Capital	
Authorized	$2,000,000
Subscribed	1,192,000
Paid-up	232,440

Growth of Business

Year	Assets $	Business in Force ($ 000)	New Ins. Paid for ($ 000)
1935	4,980,518	28,297	6,338
1936	5,196,684	34,395	9,914
1937	5,404,158	39,685	9,789
1938	5,944,745	42,484	7,709
1939	6,457,452	44,611	6,556
1940	7,022,140	48,542	6,563
1941	7,663,410	54,159	9,217

Classes of Business Written

	*Effected 1941 $	Business in force Dec. 31/41 $
Ordinary business:		
(a) Participating	6,821,195	37,173,978
(b) Non-partic.	2,396,636	16,985,782
Totals, 1941	9,217,831	54,159,760
1940	7,562,871	48,541,932

*On basis required by Dominion department of insurance, i.e. paid for, exclusive of increases, revivals and annuities.

Analysis of Invested Assets

	1941 %	1940 %	1939 %	1938 %
Bonds:				
Government	13.0	8.8	5.9	5.8
Municipal	17.0	20.2	20.9	19.7
Other	15.0	16.0	17.6	18.0
Total	45.0	45.0	44.4	43.5
Mortgages	20.0	21.3	20.6	20.3
Policy loans	11.0	12.2	12.7	13.3
Stocks	5.0	5.7	5.8	6.1
Real estate	9.0	10.4	9.0	9.8
Other	10.0	5.4	7.5	7.0
Total	100.0	100.0	100.0	100.0

Interest earned on net mean ledger assets as reported to Dominion department of insurance: 1941, 4.54%; 1940, 4.60%.

Consideration received for annuities, 1941, $4,067.

Death claims paid: 1941, $234,831; 1940, $231,497.

Prudential (England)

Although the volume of new insurance effected in Canada in 1941 by the Prudential Assurance Co. of London, England was smaller than in the previous year the amount of insurance in force at the end of 1941 was greater by $3.1 millions. Assets in Canada also showed a gain.

Figures for the 1941 operations of the entire company are not available at time of writing.

The Prudential has subscribed to war loans of Great Britain, Canada and the Empire a total amount of $240 millions.

Head Office—London, Eng.

Head Office in Canada—465 St. John St., Montreal.

Officers—
Manager for Canada, F. C. Capon; actuary for Canada, Arthur Pedoe; mgr. of life agencies for Canada, A. C. Galbraith.

Growth of Business in Canada (Life)

Year	Assets $	Liabs. in Can. $	Bus. in force ($ 000)	New Ins. pd. for ($ 000)
1933	1,587,677	820,045	8,224	3,649
1934	2,216,670	1,313,711	11,753	4,471
1935	1,989,503	1,912,192	15,097	4,025
1936	3,016,198	2,397,351	18,591	4,620
1937	3,745,268	3,405,284	22,937	5,788
1938	4,915,142	4,379,938	27,478	5,830
1939	5,839,557	5,241,306	31,417	5,794
1940	6,995,970	6,050,446	36,422	6,798
1941	7,668,453	6,779,747	39,587	5,981

Entire Operations

Total assets 1940	$1,775,625,623
Total bus. in force, Dec. 31/40	4,442,222,319
†Total new ins., effected 1940	412,693,596

	1941	1940	1939	1938
*Interest earned (%)	....	4.327	4.668	5.012

*On basis required by Dominion department of insurance, i.e. issued accepted and paid for, exclusive of increases, revivals and annuities.

†On mean net ledger assets as reported to Dominion department of insurance.

‡Figures for entire operations for 1941 not yet available.

Montreal Life

The Montreal Life Insurance Co. was organized in 1908 as the Travellers Life Assurance Co. of Canada. It did not start business until 1919. In 1924 the name was changed to the present one. Control of the company was acquired by the Atlas Assurance Company of London, England, in 1929.

Total assets of the company at the end of 1941 at over $9 millions were some $700,000 higher than at the end of the previous year.

Officers—
Arthur P. Earle, A.I.A., A.A.S., pres.; W. L. Nicholls, F.I.A., actuary; J. A. Toller, F.C.I.S., treas. and asst. sec.

Directors—
Arthur P. Earle, A.I.A., A.A.S., pres.; C. E. Sanders, vice-pres.; J. V. Desaulniers, vice-pres; F. Wilson Fairman, Cecil Hugh Falloon, F.C.I.F., C. G. Greenshields, K.C., Hon. R. O. Grothe, George Hogg, A. L. Mailman, Alfred H. Paradis, William Penman, F.I.A., Rene Redmond, Jean Rolland, William S. Walton.

Growth of Business

Year	Assets $	Business in Force ($ 000)	New Ins. Paid for ($ 000)
1933	5,446,115	36,700	5,672
1934	5,563,546	37,266	5,240
1935	5,974,845	38,811	6,269
1937	6,694,406	44,794	8,956
1938	7,304,360	47,451	7,495
1939	7,895,923	51,512	9,493
1940	8,311,086	54,222	8,213
1941	9,063,606	59,380	9,890

*On new Federal government basis.

Classes of Business Written

	*Effected 1941 $	Business in force Dec. 31/41 $
Ordinary business:		
(a) Participating	5,385,785	29,459,541
(b) Non-partic.	3,587,993	20,636,792
Group	916,217	9,283,823
Totals, 1941	9,889,995	59,380,156
1940	8,213,392	54,221,998

*On basis required by Dominion department of insurance, i.e. paid for, exclusive of increases, revivals and deferred annuities.

Analysis of Invested Assets

	1941 %	1940 %	1939 %	1938 %
Bonds	47.2	42.1	39.0	38.5
Mortgages:				
Urban	26.2	32.1	32.3	30.5
Policy loans	8.6	9.8	11.3	12.8
Stocks:				
(a) Preferred	1.8	.5	.6	1.3
(b) Common	7.4	7.2	7.6	6.4
Real estate	6.6	6.9	7.6	7.9
Other	2.2	1.1	1.6	2.5
Total	100.0	100.0	100.0	100.0

Interest earned on net mean ledger assets as reported to Dominion department of insurance: 1941, 5.10%; 1940, 5.15%.

Consideration received from annuities, 1941, $273,850.

Death claims paid—1941, $215,702; 1940, $248,485.

Summary of Life Insurance

British and United States Companies

	Began Business in Can.	Dec. 31, 1941 Insurance in Force Total $000	Ordinary $000	Group $000	New Policies Sold $000	Assets Canada $000
Aetna	1853	150,972	......	......	10,356	17,141
Mutual Life & Citizens	1913	†27,507	12,406	......	*14	9,305
Metropolitan	1872	†1,394,024	717,716	122,858	134,794	312,507
New York	1868	127,660	......	......	3,343	......
Occidental	1928	31,281	......	......	8,053	1,882
Prudential of America	1909	585,428	......	......	71,331	125,335
Prudential of England	1930	39,587	......	......	5,981	7,668
Royal	1851	29,365	29,365	......	1,906	8,160
Standard (1940 bus.)	1833	38,025	......	......	2,221	18,721

†Includes Industrial. *Alterations in existing contracts.

Supervisors - Must Have Expert Knowledge

Royal Inspectors are Field Supervisors and in Company with our Agents are always ready to assist you in solving Your Life Assurance Problems

A. Y. Wilks
Superintendent of Life Agencies (all Canada)

K. B. Cromwell
Toronto, Ont.

W. R. Fisher
Vancouver, B.C.

G. Harris
Victoria, B.C.

ROYAL INSURANCE COMPANY LIMITED

R. H. Bertrand
Life Superintendent for the Province of Quebec

L. G. Chartrand,
Montreal, Quebec.

G. M. Suckling
Quebec City.

R. Eccles
Ottawa, Ont.

Head Office for Canada
MONTREAL, P.Q.

LIFE
Fire Casualty

Policies Issued Upon All Plans at Attractive Rates

Westmorland County, N.B., had an operating surplus of $2,748 in 1941. Bank overdraft was reduced during the year to $78,000 from $138,000, marking the first time in 12 years that the county's overdraft was less than $100,000.

Lindsay, Ont. Tax collections in January on both current and arrear accounts amounted to $44,631 compared with $54,828 in Jan., 1941. Total arrears as at Jan. 31, 1942, were $14,469 against $18,087 a year ago.

ANOTHER OCCIDENTAL RECORD

1941

		Increase over 1940
Insurance in Force over	$629,000,000	21%
New Life Insurance over	129,000,000	74%
Gain in Force over	109,000,000	276%
Gain in Force Last 10 Years over	472,000,000	301%

This is a solid record of consistent growth—a superb record during a difficult decade. It will be read with gratification by the thousands of Occidental Policyholders throughout the Dominion.

There's a Reason — Investigate

"More Peace of Mind Per Premium Dollar"

CANADIAN HEAD OFFICE
OCCIDENTAL LIFE
LONDON CANADA
W. L. Miller -- General Manager

Agency Inquiries Invited

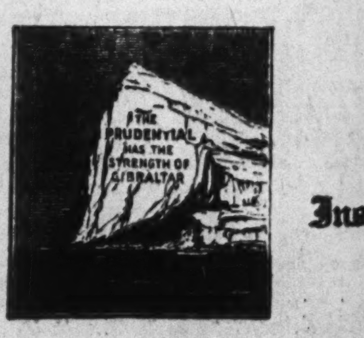
CALL IT SELF-RELIANCE

Independence, by any other name, is about as desirable a possession as man can acquire. Thousands of men agree with the great writer, Emerson, who summed it all up in one sentence.

"Discontent," he said, "is the want of self-reliance."

Independence is easily available, not only to bread-winners, but to those who would be left behind by the provider's death.

It is acquired through life insurance.



The Prudential Insurance Company of America
Home Office: Newark, N.J.

Branch Offices in all leading Canadian cities.

THE WEEK'S QUOTATIONS

Toronto and Montreal Exchanges

The following table is confined to official prices for listed stocks, including curb market quotations. Where no transaction is recorded, bid and asked prices are given. For unlisted stocks, quotations by unlisted dealers are published. The Financial Post cannot accept any responsibility for such quotations.

WEEK ENDING MARCH 9

Range 1942 High	Low	Div. R'te $	Mar7 Y'ld %		Sales	Last Mar. 2	Week end. Mar. 9 H	L	Cl'se
				A					
.75	.40	.	...	Abitibi	550	.60	.75	.70	.70
7	4¾	.	...	Do. pref. 6%	780	5¼	6¼	5¾	6
13	13	.	...	Do. pref. 7%	....	(13 bid — asked)			
†3	1	.	...	Acme Glove	....	(3 bid 4 asked)			
60	60	6.50	10.8	Do. pref.	....	(— bid 60 asked)			
13	12	80+20c	8	Agnew Surp.	80	13	12	12	12
†108	105	7	6.6	Do. pref.	....	(109 bid 110 asked)			
.90	.80	.	...	Alta. Pac. Gr.	....	(— bid .95 asked)			
27	22	.	...	Do. pref.	10	24	23	23	23
9	8¼	.	...	Algoma Steel	65	8½	9	8¾	9
82	82	5	6.1	Do. pref.	....	(— bid 92 asked)			
109	97½	8+2	10.2	Aluminium	220	98¾	98½	97½	97½
115	113	6	5.3	Do. pref.	....	(— bid 114 asked)			
7½	7½	25c	...	Amal. Electric	....	(— bid — asked)			
†37	37	60c	1.6	Amer. Cyn. B.	....	(33 bid — asked)			
†46½	44	2.75	5.9	Ang. Can. T. p.	....	(— bid 43 asked)			
19	17¾	60+60c	6.7	Asbestos	575	18	18	17¾	17¾
18¼	15¾	1.75	11.1	Assoc. Brew.	10	16	15¾	15¾	15¾
110	110	7	6.4	Do. pref.	....	(108¾ bid — asked)			
†1	1	.	...	Assoc. T. & T.A.	....	(— bid — asked)			
‡24	24	96c	...	Do. pref.	....	(— bid 25 asked)			
102	102	5.50	5.4	Ault & Wiborg	....	(102 bid — asked)			
				B					
146	142	8	5.5	Bk. Can. Nat.	15	145	146	145	145
189	185	8	4.3	Bk. Montreal	63	186	186½	185	185
274	270	12	4.4	Bk. N. Scotia	14	273	274	272	272
255	245	10	4	Bk. Toronto	....	(230 bid 244 asked)			
†8½	8½	22½c	..	Barber Ellis	....	(7 bid 10 asked)			
•5	4½	.	...	Barcelona	....	(— bid — asked)			
†1.25	.35	.	...	Barker's Bread	....	(.35 bid 1.50 asked)			
†22	16	.	...	Do. pref.	....	(14 bid 14½ asked)			
14½	13½	1+25c	9.2	Bathurst Pr.	879	13¾	13¾	13½	13¾
2¼	1½	.	...	Do. (B)	25	2	1¾	1¾	1¾
4	4	.	...	Beath & Sons	....	(2½ bid 3½ asked)			
8	6½	.	...	Beatty Bros.	....	(7 bid 7½ asked)			
105½	102	6	5.7	Do. pref.	35	105	105½	105	105½
90	76	7	9.2	Do. 2nd pref.	14	90	76	76	76
9¾	9½	.	...	Beauharnois	400	9¾	9¾	9¾	9¾
81	81	4+2	7.4	Belding Cort.	....	(80 bid 86 asked)			

Government Bonds

(Supplied by Investment Dealers' Assoc. of Canada)

Mar. 11, 1942

Dominion of Canada Bonds

%	Due	Bid	Ask.	Approx. Yld.
1½	May '42	100	...	...
2	June '42	100⅛	...	...
3	Oct. '42	101⅛	101½	.60
2½	June '43	101⅛	101¾	1.08
5	Oct. '43	105¼	105¾	1.41
2	June '44	100¾	101¼	1.48
a2½	Jan. '44	99	99¾‡	2.39
4½	Oct. '44	106¾	107¼	1.66
2½	Nov. '44	102	102½	1.55
a2½	Aug. '45	98½	99¾	2.80
a4	Oct. '45	103½	104	b1.50
2	Mar. '45	100½	101	1.66
2	Dec. '46	99	99½	2.11
4½	Feb. '46	108¾	109½	1.96
3½	June '49	103	103¾	b2.31
3½	Oct. '49	102¼	103	b2.31
3½	Nov. '51	101¾	102½	b2.84
3½	Feb. '52	101½	102¼	↓2.93
5	May '52	100¾	100¾‡	b.50
4	Oct. '52	105¾	106¼	b2.75
3	June '51	99½	100¼	2.96
3	Oct. '52	99	99¾	3.03
3	June '55	99½	100	3.00
4½	Nov. '56	106¾	107½	b2.80
4½	Nov. '57	107½	108¼	b2.90
3	June '58	99½	100	3.00
4½	Nov. '58	108¾	109¼	b2.92
4½	Nov. '59	109¾	110½	b2.99
a4	Oct. '60	104	‡104¾	b3.35
a3½	Jan. '61	97	98‡	3.39
3½	June '66	101	101¾	b3.10
a3e	Jan. '67	94	95‡	3.30
a3e	Nov. '68	93¾	94¼‡	3.30
†3	Perpet'l.	93¾	94¼	3.17

Dominion Guarant'd Bonds

Can. Nat'l. Railways:

%	Due	Bid	Ask.	Approx. Yld.
2	Feb. '43	100½	101	.95
2½	Jan. '46	100¾	101¼	1.85
3	May '44	102¾	103¼	1.50
3	Dec. '50	99½	100¼	2.93
3	Feb. '53	98½	99½	3.05
3	Jan. '59	98	99	3.08
•4½	Sept. '51	115	116¼	2.59
•4½	Feb. '56	116¼	117½	2.98
4½	July '57	116¼	117½	3.06

%	Due	Bid	Ask.	Approx. Yld.
4½	June '55	117¾	119	3.03
5	Feb. '54	117½	118½	3.14
•5e	July '69	116½	117½	...
•5e	Oct. '69	119	120½	b2.60
•5e	Feb. '70	119	120½	b2.68
Grand Trunk Pacific Rly.:				
3	Jan. '62	99½	100½	2.97
Provincial Gov't. Bonds				
New Brunswick:				
3	Oct. '51	91½	93	3.88
3½	Aug. '49	93	95	4.04
3½	June '56	92	94	4.05
c4	Nov. '47	100	103	b3.13
c4½	Apr. '61	103	106	4.04
c5	Jan. '60	108	111	4.13
Nova Scotia:				
3	Jan. '52	95½	97½	3.29
3½	June '56	98	100	3.25
3½	Nov. '50	99½	101½	3.30
c4½	Sept. '52	106	108	b2.75
c4½	Nov. '60	110	113	3.55
c5	Mar. '60	117½	119½	3.54
Ontario:				
2½	May '45	100	101	2.17
3	Apr. '48	99	100	b3.00
3	Nov. '50	98½	99½	3.10
3½	Nov. '51	100	101	b3.10
3½	May '55	99½	101	b3.13
•4	June '62	107	110	3.32
4½	June '50	108½	110	3.13
•4½	Jan. '62	114	116	3.39
5	Oct. '48	110½	111¾	3.00
•5	Dec. '60	120½	122½	3.38
5½	July '46	109	110½	2.90
Ont. Hydro Commission:				
3	Aug. '48	99	100½	b2.94
3½	Feb. '53	100	101	b3.10
3½	Apr. '47	101	103	2.85
Prince Edward Island:				
4	Mar. '54	100	102	3.80
Quebec:				
3	Nov. '47	97½	99	3.19
3½	Mar. '48	98½	100	3.25
3½	Mar. '59	97½	99	3.58

%	Due	Bid	Ask.	Approx. Yld.
4	Nov. '52	101	103	b3.58
3¾	Feb. '55	100½	102	b3.51
4½	Aug. '58	104½	106½	3.72
4½	Jan. '63	109	111	3.74
Alberta:				
4½	Oct. '51	67	..	d
4½	Oct. '56	60	64	d
4	Dec. '54	57	60	d
•5	Oct. '59	63	67	d
c5½	Apr. '52	65	68	d
6	Mar. '47	70½	72½	d
British Columbia:				
c4	Dec. '57	101	103	3.75
•4½	Jan '51	105	108	3.44
c4½	Oct. '53	105	108	3.64
c5	Apr. '54	111	113	3.65
5½	Feb. '45	102	104	4.06
6	Feb. '47	106	108	4.21
Manitoba:				
c4	Dec. '57	97	100	4.00
c4½	Dec. '56	99	102	4.31
•5	Dec. '59	102	105	4.59
5½	Oct. '55	101	103	5.19
6	Apr. '47	102	104	5.10
Saskatchewan:				
4	Sept. '54	76	78	6.53
4	Nov. '60	75	77	6.05
c4½	Oct. '51	87	90	5.88
c4½	Mar. '60	84	86	5.73
5	Aug. '58	86	88	6.17
5½	Oct. '52	92	93½	6.33
6	Mar. '52	93	94½	6.74

•—Payable Can., N.Y. and £. b—Calculated to call date giving lowest possible yield. c—Payable Can. & N.Y. a—Payable N.Y. †—Callable on or after Sept. 15, 1966. d—Traded flat. Interest being paid at 50% of coupon rate, minimum rate 2%. e—Callable at a premium. ‡—N.Y. funds. ↓—Calculated to 1950 average maturity.

Unlisted Stocks

Mar. 10, 1942

(Furnished by A. J. Pattison, Jr. & Co., Toronto)

Industrials	Bid	Ask.
Acme Farm., pf.	46½	50
Andian National	27½	29
Anglo C. Tel., A	6½	7½
Atlas Steel	17½	19
Barrymore, pfd.	38	..
Brant. Roof.	2½	..
B. C. Pulp, c.	10	11½
Do., pfd.	65	69
B. C. Sugar	65	69
B. C. Tel., 1st p.	110	116
Brown, com.	1¾	1½
Do., pfd.	28	30
Burns & Co., A	4½	5½
Do., B	2½	3
Can. Co-op. Wl.	8	..
Can. Indust., A	140	..
Can. Ing. Rand	70	76
Can. Mot. L.A.B.	4½	..
Can. Tube, 1st p	77	82
Chase, A. W., p.	18	19½
Colonial Realty	2½	..
Colonial Steam.	33½	36
Copeland Fl. un.	13½	15½
Dunlop T. p. $25	18½	20½
Easy Wash p $10	10	11½
Galt Brass, c.	9½	..
Goderich Elev.	6	7
Guard. Realty p	10	14
Guelph Carp., c	16½	18
Gurney Fdry. p.	1½	1¾
Hayes Steel, c.	14½	15½
Hi'land Dairy, p	49	..
Inglis, John	4½	5
Ingram & Bell p	93	..
Kingst. Ship. un	37½	40
Do., com.	6½	7½
Loblaw, Inc., c.	11	13
Minn.&Ont. P. c	4	4½
M'row Screw, p.	103	105
Do., com.	13	16
Morrison Br. un	4½	6
Moirs, Ltd.	18½	21

	Bid	Ask.
Neilson, Wm., p.	100	..
N. Meth. Ldy., p	61	65
Ont. Tobacco, p.	18	19½
Pac. C. Term., c	...	7
Prov. Paper, pf.	99½	102
Quinte Milk	2½	3½
Stand. Fuel, p.	50	54
Stedman, pf. $50	54	57
Sutton Horsley	¾	1
Tor. Carpet, c.	52	..
Do., pfd.	66	71
Un. F. Co-op.	2¾	3½
Un. Steel, A pf.	20½	22
Viceroy Mfg., c.	12½	..
Trusts & Loan Stocks:		
Brit. Mtge.	122	132
Brockville Tr.	42	..
Capital Tr.	28	32
Comm. Fin., c.	3½	..
Grey&Br. Tr. $50	43	..
Guaranty Trust	100	104
Guelph & O. $50	51	54
Indust. Mtge.	26	..
Lambton Loan	30	33
Midland Loan	14	16
Premier Trust	38	42
Sherbrooke Tr.	120	..
Sterling Trust	51	56
Th. Can. Inv. Tr.	1½	..
Traders Fin. A c	3	5
Do., A pfd.	56	64
Trusts&Gr., new	33	35
Victoria Trust	65	70
Waterloo Trust	98	..
Insurance Stocks:		
Canada Life	350	375
Brit. Amer.	50	53
Canadian Fire	80	82
Confed. 30% pd.	125	135

	Bid	Ask.
Cons. Fire Cas.	3¾	..
Continental L.	34	38
Crown, fully pd.	265	285
Dominion Fire	136	..
D. of Can. Gen.	112	120
Empire, 25% pd.	5	6
Excelsior 38% pd	70	74
Great-West Life	200	210
Federal, 25% pd.	52	56
Halifax Fire	14½	16
Imperial Life	270	285
Manufac. Life	218	222
Monarch Life	33	35½
National Life	10	16
Sav. L. 25% pd.	12	..
Sun Life	250	265
Tor. General	4½	5¾
Wellington Fire	58	..
Western Assce.	40	43
Theatre Stocks:		
Allen's, St. Cath., units	83	87
Loew's London p	2½	3¾
Mansf. Theat., p	29½	31½
Para., Kitch., p.	50	..
Do., Oshawa, c	7½	9½
Investment Trust Shares:		
Can. Investors	4	5
Inv. Found. un.	42½	44½
Sec's. Hold., pf.	18½	20
United Corp., A	19	21½
Do., B	4	5
Power Issues:		
Can. W. N. Gas	25	27
Do., pfd.	101½	..
Gt. Lakes Pr., p	101	105
Int. Util. $1.75 p	9	14
Do., $3.50 pf.	30	..
Mtl. Isl. Pwr. p.	41	..
Nor. Ont. Pr. p.	71	76

Unlisted Mines

Toronto, Mar. 10, 1942

	Bid	Ask
Albany R (Old)	.03	.05
(New)	.08	.10
Amal Kirk	.04	.05
Anoki	.03½	.04½
Aquarius	.20	.22
Arjon	.02½	.03½
Armistice	.06	.08
Argosy	.05	.07
Area	.02	.02½
Barb Lard	.02½	.03
Brock	.04½	.06
Calder Bo	.02	.03
Can Rad	.07	.08
Central M	.01½	.02
Cheminis	.03	.04
Coin Lake	.01½	.02
Cons Chib	.03	.04
Delpine	.06½	.08
Desantis (New)	.08	.10
Dona Pat	.01	.02
Eastward	.07	.09
Elmos	.05	.06
Franco	.18	.23
Goodrock	.19	.20
Hasaga	.15	.20
Hayes Cd	.02¾	.03½
Hoyle new	.10	.12
Hugh PaP	.03	.04
Hutch Lke	.01	.01½
Kewagama	.01	.02
Kirk Town	.07	.09
Laguerre	.05	.10
Lake Duf	.12	.14
Lake Gen	.06	.08
Lw Pete	.14½	.18
Magnet C	.39	.42
Magnet L	.13	.15
Marbenor	.20	.23
Martin Bir	.02	.02½
Mata Can	.02	.03
Mata Con	.12	.15
McMar'ac	.12	.14
Mof Hal'n	.01	.02
Mosher	.05½	.06½
McManus	.00½	.01½
Nat Mal	.24	.26
Nickel O	1.00	1.25
Norbeau	.15	.20
Norwin	.03	.04
Newbec	.00½	.01
N Ribago	.00¾	.01½
Numalake	.09	.13
Oklend	.03	.04
O'Leary M	.03	.04
Opemiska	.05	.07
Orpit	.03	.04
Pascalis	.15	.18
Pontiac R (Old)	.02	.04
Palangio	.01½	.02½
Polaris	.02	.04
Proprie'y	3.60	3.80
Presdor	.04	.05
Queb Mn	.14	.16
Rahn Lake	.00½	.01½
Rand Ml	.14	.16
Red Lake	.00¾	.01½
Rouge	.01½	.02½
S.A.G.A.	.50	1.00
Sachigo	4.50	5.00
Shenango (New)	.07	.10
Sheldon	.03	.04
Skynner	.01½	.02
Springer	.12	.14
Stadacona	.05	.06
Thomson	.10	.12
Union Mn	.03	.04
Val D'O	.15	.20
Wesley	.01½	.02
Y David'n	.17½	.20

* Quotations for 1941. † 1940.

Winnipeg Stocks

(Transactions from Mar. 2 to Mar. 7)

	Sales	High for period	Low for period	Close Mar. 7
Burns, A	50	5.00	5.00	5.00
Dominion Envelope pfd.	2	96.00	96.00	96.00
Great-West Life	5	205.00	205.00	205.00
United Grain Growers	22	11.50	11.00	11.50
Winnipeg River Tin	3,700	.01	.01	.01

Stocks Not Traded in During Week*

	Bid	Asked
Beaver Fire	75	..
Beav. Lumber c	3	5
Beav. Lumber p	103	..
Can. Indemnity	150	..
Can. Airways	1	..
Corr. P. Box	.60	..
Cres. Cream., p.	..	12
Dom. Envelope c	..	9½
Fed. Grain c.	.35	1¼
Grouped Inc.	..	4⅜
Home Invest.	25¼	..
Nor. C. Mtge. un	5½	..
North. Trusts	..	7½
Traders Bldg.	44	..
West. Brew.	1⅞	2⅛
West. Grain, p.	..	7
West. Steel	5¾	9¼

*Stocks more active on other exchanges not included.

Volume of Stock Sales

	Montreal Markets Indust.	Montreal Markets Mines	Toronto Markets Ind. & Mines	Vancouver Markets Ind. & Mines
Mar. 10	5,100	7,300	75,000	......
Mar. 9	5,600	1,500	67,000	9,390
Mar. 7	6,000	1,300	90,000	6,300
Mar. 6	9,300	3,500	90,000	10,385
Mar. 5	7,000	1,700	79,000	2,550
Mar. 4	5,500	2,500	78,000	2,360

Annual Meetings

Company	Place
—Can. Wire & Cable	Leaside
—Gypsum, Lime & Ala.	Paris, Ont.
—Jason Mines	Toronto
—Fraser Companies	Edmundston
—Fidelity Ins.	Toronto
—Kirkland Lake Gold	Toronto
—Mercantile Ins.	Toronto
—Stedman Bros.	Toronto
—Bathurst P. & Paper	Montreal
23—East Koot. Power*	Montreal
23—Twin City R. Transit	Minneapolis
23—Can. North. Power	Montreal
24—Dominion Stores	Toronto
24—Imperial Tobacco	Montreal
25—Can. North-West Land.	Toronto
25—Teck-Hughes Gold	Toronto
26—McColl-Frontenac	Montreal
27—Lamaque Gold	Bourlamaque
28—Pressed Metals	Port Huron, Mich.
28—Seal-O-Sac (Canada)	Toronto
30—Can. Eagle Oil	Toronto
31—Alg. Cen. & H.B. Rly.	S. Ste. Marie
31—Rolland Paper	Montreal

*Bondholders.

Mining Dividends

	Rate	Mar. 9	Yield %
Anglo-Huronian	▲10c	2.20	..
Argus Interests	†4c	.35	..
Aunor Gold	16c	1.12	14.3
Bayonne	†1c	.04	..
Beattie Gold	16c	.75	21.3
Berens River	†3c	.60	..
Bralorne	80c+40c	7.10	*16.9
Broulan Porc.	12c	.45	..
Buffalo Ankerite	▲30c	2.25	..
Bulolo Gold	$3	5.75	..
Can. Malartic	8c	.40	20
Cariboo Gold	16c+1c	1.15	*14.7
Central Patricia	16c+4c	1.20	*16.6
Chesterville	15c	1.15	..
Cochenour Willans	6c	.61	9.8
Coniagas	▲17½c	1.15	..
Coniaurum	16c	.82	19.5
Cons. Smelters	$1+$1.50	38.37	*6.5
Delnite	▲6c	.40	..
Dome Mines	$1.20	14.87	..
East Malartic	5c	1.52	..
Falconbridge	20c	2.90	..
Francoeur Gold	▲4c	.27	..
Gold Belt	▲2c	.14½	..
Grandview	▲1½c	.14½	..
Grull Wihksne	†1½c	.02	..
Halnor	40c	2.75	14.5
Hard Rock	▲8c	.48	..
Hedley Mascot	8c	.25⅛	..
Hollinger	65c+45c	7.15	*15.3
Howey Gold	▲4c	.18	..
Hudson Bay	$2	25.00	8
Inspiration	†2c	.25	..
Inter. Nickel, com.	$2	32.00	6.2
Island Mountain	▲18c	1.00	..
Jason	4c	.25	..
Kerr-Addison	▲35c	3.45	..
Kerr Lake	5c	.22	..
Kirkland Lake	10c+1c	.52	*21.1
Kootenay Belle	▲8c	.16	..
Lamaque Gold	40c+15c	3.70	*14.9
Lake Shore	80c	9.00	8.9
Leitch	8c	.40	..
Little Long Lac	▲20c	1.05	..
Macassa	32c+3c	2.42	*14.4
Madsen R. Lake	▲3c	.38	..
[illegible]	10c	1.46	..

A Big Feed Grain Market in U.S.?

Sees Oil and Fat Shortage Major Influence

From Our Own Correspondent

WINNIPEG. — Although at present, export of feed grains from Canada to the United States is not practicable, it seems likely that in the coming crop year an extensive movement of such grains may be made. In fact by adjusting western agricultural production to the needs of the United States for feed grains and flaxseed, problems of Canadian wheat surplus may be considerably alleviated.

It is not due to the protective duties of the United States that feed grains from Canada are not now going into that country. It is because of the policy of the Canadian Government under which in order to conserve feed supplies for Canadian use, feed grains may only be exported under license, which practically means not at all. There is a good demand in the United States for oats, barley and rye as well as for wheat mill feeds and except for the export limitations undoubtedly these would be crossing the border in considerable quantity. In flaxseed there is a corresponding situation.

Expect Big Boost

Such demands as presently exist are small in relation to those which are foreseen in the future. To bring about such a movement as is possible will require advance notice to western farmers of what is in prospect. This, there is reason to believe, may develop.

When authorities worry about the possibility of western Canada producing more wheat in the coming crop year than may be needed, the surplus production they have in mind certainly does not exceed 100 million bushels. Such a quantity of grain by itself seems large but if the agricultural economies of Canada and the United States were geared to each other in a way such as war conditions make advisable, such a quantity of grain is small in comparison with the annual grain production of the United States which does not fall below 5,000 million bushels except when conditions are exceptionally poor.

Hit By Shipping

Prospective demands for feed grain from the United States are a result of war conditions and most particularly of developments in the Pacific. The United States is now shut off from vast imports of oils and fats, used to a limited extent for food purposes but most importantly for the manufacture of paints, varnishes and soap. To supply the resulting deficiency recourse must be had to oils produced on this continent. There are large supplies of flaxseed in Argentina but shipping conditions make impracticable their import in quantity.

It is to the soy bean that the United States will principally look. The expansion of that crop in recent years in the United States has been phenomenal and although industrial use of soy bean oil has been large, the crop has principally been grown for feeding purposes. Now it must be depended on to a very great extent for industrial use. Soy bean oil as extracted may be divided into two fractions, one providing a drying oil suitable for use in paints and varnish and one which can be used in soap making.

Hint Shortage

Because of attractive prices now being offered for soy beans, a very great expansion of acreage is in prospect. That will cut down acreage formerly devoted to corn and to oats and, in addition, soy beans formerly fed to livestock will to a large extent be sent to the crushers. Such a condition would in itself create the prospect of some shortage of livestock feeds in the United States. That prospect is increased by the fact that farmers of the United States are being urged to make a very large increase in livestock production in order to supply not only growing domestic needs for meat under conditions of full employment but also to supply vast quantities of food destined to be sent both to Great Britain and to Russia.

Linseed Possibility

While United States farmers have been asked to increase acreage devoted to flax, it is unlikely that the response will meet needs for more linseed oil. A very large production, however could be secured in western Canada if an order from the United States should be placed for flaxseed at say, $2.50 per bushel, basis head of the lakes. Flax has never been grown deliberately by farmers to any great extent as a cash crop. It has usually been put in on new breaking, because it could be seeded later than any other crop, and comparatively low average yields have resulted from lack of care in its production. At a reasonably high guaranteed price, it is probable that some considerable acreage of land would be diverted from wheat to flax.

Present prices for feed barley are probably high enough to ensure a large barley acreage if farmers were sure of continuance for another crop year. Announcement that the United States would be prepared to take 25 to 50 million bushels of barley at approximately 60 cents a bushel would mean a largely increased acreage.

Acreage devoted to oats could also be greatly increased by an assurance of a market south of the line. Only to a limited extent do western farmers grow oats in excess of their needs. Their intention is to supply farm needs for feed, and if a surplus is produced farmers may enlarge their livestock operations, or offer some on the market, depending on the price situation. Assure them of the likelihood of an export market, and they would be willing to increase acreage in oats very considerably.

Commodities

	Latest week	Previous week	Same week last yr.
Cattle	$10.75	$10.50	$9.65
Hogs	15.60	15.25	11.50
Copper, lb.	.12	.12	.12
Cotton, lb.	.2015	.2016	.1087
Sugar, raw, lb.	*.0374	.0374	.0320
Wheat, Man. (bu.)	.77⅞	.76⅝	.77½
Coffee, lb.	*.09⅜	.09⅜	.06
Hides	*.15½	.15½	.13¼
Weekly Indices			
U. S. Labor	96.8	96.5	80.5
Dow Jones (future)	87.01	87.07	59.56
Fishers	103.4	103.1	85.4
Monthly Indices			
Canada (D.B.S.):			
Retail (Feb.)*	115.7	115.4	108.2
W'sale (Jan.)	94.3	93.6	84.6
U. S. (Dec.)	93.6	92.5	80.0
Gt. Brit. (Dec.)	155.9	155.2	148.2

Note:—The base of indices is that 1926 equals 100. *Base 1935-39 equals 100. The British index is Board of Trade converted to 1930 base.

Base of price quotations is as follows: Cattle — Steers, good, over 1,050 lb., top price, Toronto. Copper-electrolytic, New York. No. 7 coffee, Rio. Sugar—96 degrees centrifugal, c/f New York. Wheat—No. 1 Man. North., Ft. W.-Pt. A. basis.

*Ceiling prices fixed by the office of Price Administration.

Dividends Declared (Cont'd)

Imp. Tobacco	10c	Mar. 31	Mar. 13
Do., final	17½c	Mar. 31	Mar. 13
Do., pref.	3%	Mar. 31	Mar. 13
Inter. Paper, pref.	†$1.25	Mar. 30	Mar. 20
Inter. Power, pfd.	$1.75	Apr. 1	Mar. 14
Inter. Nickel, pfd.	†1¾%	May 1	Apr. 1
Invest. Found., pf.	75c	Apr. 15	Mar. 31
Jam. Pub. Ser.	■17c	Apr. 1	Mar. 16
Do., pref.	$1.75	Apr. 1	Mar. 16
Kerr Addison	5c	Apr. 28	Apr. 10
Lake Shore Mines	20c	Mar. 16	Mar. 2
Langleys, pfd.	■50c	June 11	June 2
Do.	■50c	Sept. 11	Sept. 2
Do.	■50c	Dec. 11	Dec. 2
Lon. & West. Trust	$1	Apr. 1	Mar. 15
Lang, J. A.	17½c	Apr. 1	Mar. 15
Do., extra	30c	Apr. 1	Mar. 15
Louisiana Land	†10c	Mar. 16	Mar. 2
Landed Bkg.	$1	Apr. 1	Mar. 14
McColl-Fron., pf.	1.50	Apr. 15	Mar. 31
Macassa Mines	8c	Mar. 16	Feb. 28
MacKinnon Stl., p.	▲$1.25	Mar. 16	Feb. 28
Marcus Loew's, pf.	$1.75	Mar. 31	Mar. 21
Monarch Knit., pf.	$7	Mar. 26	Mar. 12
Mtl. C. & D. Bank	$3	Apr. 1	Mar. 14
Montreal Cottons	$1	Mar. 16	Feb. 28
Do., pref.	$1.75	Mar. 16	Feb. 28
McKen. R. Lake	3c	Mar. 19	Mar. 3
Modern Contain.	20c	Apr. 1	Mar. 20
Do., extra	10c	Apr. 1	Mar. 20
Do., pref.	$1.37½	Apr. 1	Mar. 20
Montreal Loan	31¼c	Mar. 16	Feb. 28
Moore Corp.	55½c	Apr. 1	Mar. 10
Do., A, B, pref.	†$1.75	Apr. 1	Mar. 10
National Trust	$2	Apr. 1	Mar. 21
N. S. Lt. & Pr., ord.	$1.50	Apr 1	Mar. 14
Nat. Breweries	50c	Apr. 1	Mar. 11
Do., pref.	44c	Apr. 1	Mar. 11
N. Meth. Ldy., p.	$1.62½	Mar. 14	Feb. 28
Nat. Biscuit, c.	†40c	Apr. 15	Mar. 17
Noranda Mines	$1	Mar. 17	Feb. 20
Nat. Grocers, pref.	37c	Apr. 1	Mar. 16
Nat. Steel Car	50c	Apr. 15	Mar. 31
Negus Mines	2½c	Mar. 23	Mar. 10
North Empire M.	10c	Apr. 10	Mar. 27
Ottawa Elec. Rly.	30c	Apr. 1	Mar. 10
O'Brien Gold	3c	Mar. 23	Feb. 28
Ottawa L. & Pr.	15c	Apr. 1	Feb. 10
Do., pref.	$1.25	Apr. 1	Feb. 10
Ont. Loan & Deb.	$1.25	Apr. 1	Mar. 16
Ogilvie Flour, c.	25c	Apr. 1	Mar. 17
Para. Pictures	†25c	Apr. 1	Mar. 16
Do., 1st pfd.	†$1.50	Apr. 1	Mar. 18
Power Corp., pref.	■$1.50	Apr. 15	Mar. 31
Do., 2nd pref.	■75c	Apr. 15	Mar. 31
Paton Mfg.	50c	Mar. 15	Feb. 28
Do., pref	$1.75	Mar. 15	Feb. 28
Perron Gold	■4c	Mar. 20	Feb. 28
Do., extra	■1c	Mar. 20	Feb. 28
Pickle Crow	10c	Apr. 30	Apr. 15
Pioneer Gold	10c	Apr. 1	Mar. 14
Porto Rico Pwr., p.	$1.75	Apr. 15	Mar. 31
Preston E. Dome	5c	Apr. 1	Mar. 14
Page-Hersey	$1.25	Apr. 1	Mar. 21
Price Bros., pfd.	$1.37½	Apr. 15	Mar. 16
Premier Gold	2c	Apr. 1	Mar. 14
R. Silk Mills, A	50c	Apr. 1	Mar. 14
Regent Knitting pfd.	†40c	June 1	May 15
Do., c.	25c	Mar. 16	Mar. 2
Reliance Grain, p	$1.62½	Mar. 14	Feb. 28
South. Can. Pwr.	20c	May 15	Apr. 30
Do., pref.	$1.50	Apr. 15	Mar. 20
Sunset Oils	1½c	Mar. 16	Mar. 5
San. Antonio Gold	7c	Apr. 20	Apr. 4
Do., extra	3c	Apr. 20	Apr. 4
Sher.-Williams, pf.	$1.75	Apr. 1	Mar. 15
Do. ordinary	15c	May 1	Apr. 15
Sheep Creek G.	4c	Apr. 15	Mar. 31
Do., extra	1c	Apr. 15	Mar. 31
Simon & Sons	15c	Mar. 28	Mar. 13
Do., extra	15c	Mar. 28	Mar. 13
Do., pref.	$1.75	Mar. 28	Mar. 13
Simpsons, pref.	$1.62½	May 1	Apr. 18
Siscoe	2c	Mar. 16	Feb. 13
Stedman, c.	15c+30c	Apr. 1	Mar. 26
Do., pf.	75c	Apr. 1	Mar. 20
Sylvanite	5c	Mar. 28	Feb. 14
Stand. Paving, pf.	31¼c	Mar. 16	Mar. 5
Sturgeon River G.	2c	Apr. 30	Apr. 15
Sudbury Basin	2½c	Mar. 31	Mar. 12
Sullivan Cons.	3c	Mar. 16	Feb. 18
Sec. Std. Rylts., pf.	1c	Mar. 16	Feb. 20
Sun Life Assur.	$3.25	Apr. 1	Mar. 16
Tamblyn, G	20c	Apr. 1	Mar. 12
Do., pref.	62½c	Apr. 1	Mar. 12
Tuckett Tob., pf.	$1.75	Apr. 15	Mar. 31
Toronto Mortgage	$1.25	Apr. 1	Mar. 14
[illegible] Trusts	$1	Apr. 1	Mar. 14
[illegible]	20c	Mar. 14	Feb. 20
[illegible]	■10c	Mar. 31	Mar. 10
[illegible]	25c	Apr. 1	Mar. 14
[illegible]	25c	July 1	June 15
[illegible]	75c	Apr. 15	Mar. 20
West. Grocers	$2	Apr. 15	Mar. 20
Do., extra	$1.75	Apr. 15	Mar. 20
Do., pref.	$1.20	Apr. 1	Mar. 27
Western Assur., c.	10c	Apr. 1	Feb. 25
Wm. Hargreaves	$1	Mar. 16	Feb. 20
Walker-Good.	25c	Mar. 16	Feb. 20
Do., pref.	2c	Mar. 20	Mar. 10
Young Davidson			
Wilsil			
Union Gas			

*Payable in U. S. funds. †Subject to approval of Foreign Exchange Control Board. ‡Initial. §Also 40c payable Sept. 1 and Dec. 1. ■On arrears. ▲Eliminates arrears.

Flour Millers Step Up Output

Production in First Half of 1942 Crop Year Gains 16%

From Our Own Correspondent

MONTREAL.—With operations on a larger scale and export trade appreciably higher than a year ago, higher earnings are indicated for Canadian flour millers in the current crop year.

Last January production totalled 1,555,850, bbls. This contrasted with 1,177,369 bbls. for the same month last year and with 1,577,169 bbls. in December.

For the first half of the current crop year—August to January and the basis for the fiscal year of most of the milling companies—flour production in Canada was 9,893,802 bbls. This compares with 8,641,383 bbls. for the like period of the previous crop year.

Monthly production of flour in Canada since the beginning of 1940 follows:

	1942 Bbls.	1941 Bbls.	1940 Bbls.
Dec.	......	1,577,169	1,076,132
Nov.	......	1,664,803	1,588,428
Oct.	......	1,595,931	1,872,514
Sept.	......	1,647,910	1,635,489
Aug.	......	1,852,139	1,291,451
July	......	2,116,896	1,122,975
June	......	2,117,976	1,170,238
May	......	2,121,397	1,282,906
April	......	1,661,000	1,344,293
March	......	1,477,000	1,257,034
Feb.	......	1,462,187	1,246,798
Jan.	1,555,850	1,177,369	1,266,303
12 Mos.		20,471,777	16,254,921

More Power Vital Says C. E. A. President

From Our Own Correspondent

MONTREAL.—Canada must produce more electrical power for the war effort, according to McNeely Dubose, of Saguenay Power Co., and president of the Canadian Electrical Association.

"We are working under a handicap, rationing and allotment of power in ways not intended when the power lines of the company were built," Mr. Dubose says, "and we must produce more power, the production of which produces the munitions so badly needed."

Company Reports

North Star Oil

Lower operating earnings and much higher taxes in 1941 resulted in a decline in net profits for North Star Oil Co., refiner and distributor of petroleum products with head office at Winnipeg. On the preferred stock, net is equivalent to 37 cents a share against 47 cents for 1940. Regular dividends were paid, leaving arrears at 35 cents a share, or one year's requirements. This does not include profits realized on sale of investments.

The company's working capital shows improvement, transforming an excess of current liabilities of $105,679 of a year ago into net working capital of $85,831 at the end of 1941. Cash at $145,148 is more than seven times that shown at the end of 1940 while a bank loan of $250,000 has been repaid in full. Funded debt outstanding has been reduced to $947,000 from $994,500. Interest is payable at 2% to the end of 1942 and at 6½% thereafter.

Consol. Income and Surplus Account — Years Ended Dec. 31

	1941 $	1940 $
Operating profit	431,668	459,382
Add: Divds. rec.	1,200	1,200
Less: Deprec.	234,898	272,847
Bond interest	19,209	22,099
Executive sals.	30,000	30,000
Directors' fees	2,000	2,000
Solicitors' fees	2,288	1,087
Inc. & E. P. taxes	72,000	40,000
Net profit	72,473	92,549
Less: Pref. divds.	70,000	70,000
Surp. for year	2,473	22,539
Add: Prev. surp.	226,616	203,184
Profit on bds. sold	12,078	883
Surp. forward	241,168	226,616
Earned per Share:		
Preferred	$0.37	$0.47
Paid	0.35	0.35
Common	$0.01	$0.12
No dividends paid.		
Shares Outstanding:		
Pref., $5 par	200,000	200,000
Common, n.p.v.	200,000	200,000
Working Capital	$	$
Current assets	1,938,588	2,057,266
Current liabilities	1,852,757	2,164,945
Working capital	85,831	*107,679

*Excess of current liabilities.

Lucien DeCelles has acquired in his own name the business of J. B. Renaud et Cie, Inc., Quebec. Mr. DeCelles becomes president. He has been managing director for eight years. The company deals in flour, grain, groceries, fish, fruit and provisions with branches in Montreal, Chicoutimi, Riviere du Loup and Mont Joli.

Inland Alaska Highway Route Favored for War

From Our Own Correspondent

VANCOUVER. — Although the route chosen for the Alaska Highway is very different from the original one and eliminates most of the British Columbia that would have been served by the earlier programme, there is no evidence of criticism here regarding the governments' decision.

The feeling appears to be that the main job is to get the link with Alaska forged; that war considerations must take precedence over all others; that when the road from Edmonton north is completed there will be plenty of time for constructing connecting highways with British Columbia cities.

In the state of Washington and especially in Seattle, which has had a strong tie with Alaska, a good deal of criticism is being voiced, and some interests there refuse to accept the decision in favor of Edmonton as final.

Reports from the north indicate that 30,000 men will soon be in northern Alberta carrying out the preliminary construction work. There appears to be every intention to speed the work as much as possible. The interpretation here is that one of the main reasons for the easterly route is that it was felt desirable to have an overland road to support the air bases recently established by the Canadian Government to Alaska.

While the Edmonton route may be more desirable as a defense measure by providing a road relatively safe from attack and close to the aerial "Burma Road" to the north, it is thought that for the long term it will be found necessary to build north from Prince George and down through the Cariboo to Pacific coast cities, and that when peace is restored most of the traffic will follow that course.

Purchasing Agents Find War's Impact Now Hard

In Canada, buyers report a further acceleration of business generally but a very apparent slowing up of certain lines of trade not considered essential under war conditions, according to the bulletin of the National Association of Purchasing Agents.

In most localities of the United States, commodity prices are reported definitely higher although there is little change indicated in the West and in Canada. Price regulation in Canada is "still somewhat confused" but more shortages and more substitutes are expected everywhere.

The bulletin quotes a letter from a Canadian source which indicates the real job and value of salesmen under present conditions. It points out that variations exist in delivery periods in different parts of the country. In one place it reports seven month deliveries as compared with four or five months in another section. It concludes that:

"Some firms do not believe salesmen are necessary these days, but we believe the salesmen can be of value if they can only keep us informed so that we can map out our programme and keep supplies coming through when required. If a salesman is of the right type, he can be of great value and create goodwill that will last long after the war is over."

Associated Breweries of Canada is redeeming on May 29, 1942, 500 of its preferred shares. The shares are to be called by lot. The redemption price is $110 a share. Originally the company issued $1.5 million in preferred stock but it had reduced outstanding amount to $713,900 at the end of 1940.

Rubber Needs Can Be Met

Raw Materials for Synthetic Product Costly, But Ample

From Our Own Correspondent

MONTREAL.—Raw materials for the production of synthetic rubber to meet the rubber requirements of North America offer no serious problem, according to Dr. R. S. Jane, research chemist, Shawinigan Chemicals Ltd. However, he went on to point out that these materials will be costly and will put a strain on the already overburdened equipment industry.

Consumption of crude rubber in Canada and the United States is approximately 600,000 tons a year. Normally 97% of the rubber requirements of this continent come from the East Indies, now almost completely under Japanese control. Replacement of the natural supply will have to be effected through the establishment of super-synthetic plants.

In Fortunate Position

In discussing this development before the Engineering Institute of Canada, Montreal Branch, Dr. Jane said:

"We are fortunate that the task of supplying raw materials for synthetic rubber on this continent is going to be assumed by the petroleum industry. Their vast resources of suitable raw material and their well trained and efficient technical personnel place them in a foremost position for the undertaking. Already they have processes worked out and small plants in operation to produce Butadiene, Styrene, and Acrylonitril, the essential ingredients for synthetic rubber.

"In Germany the Buna S (butadiene + styrene) type synthetic rubber is used almost exclusively for tires, but extensive roads and service tests carried out in the United States over the last three or four years indicate that several American types produced by Standard Oil of New Jersey, Firestone, Goodrich, Goodyear and Du Pont are extremely satisfactory for tire treads.

Be a Great Boon

"The development of the synthetic rubber industry on this continent will be in years to come a great boon to commerce and industry, because natural rubber is far from suitable for a large number of the uses it is now compelled to serve. For instance, natural rubber deteriorates rapidly in sunlight, while a number of the synthetics are strongly resistant to the action of sun rays. Oils of all kinds soften natural rubber and render it soft and non-resistant to abrasion. Several of the new synthetic rubbers are actually used to line hoses for pumping oil and gasoline.

"Whether or not the synthetics will be able to compete in the open market with natural rubber, particularly after the war, is a question that cannot be answered completely at the present time. Up to the present manufacturers have regarded synthetics as complementary to, rather than competitive with natural rubber, and it would seem that this is the most reasonable attitude to take when considering the future of synthetic rubbers in this country."

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Wheat Prices

Winnipeg Grain Futures

Week to Mar. 9, 1942

Crop year from Aug. 1, 1941 High	Low		High for week	Low for week	Close Mar. 9
		Wheat			
.82¾	.76¼	May	.79⅝	.77⅛	.79⅛
.82⅛	.77½	July	.80¾	.79⅛	.80¼
		Oats			
.51½	.38⅛	May	.51¼	.49¾	.50⅝
.51¾	.42⅛	July	.50⅝	.48⅛	.49⅝
.50	.46	Oct.	.49⅝	.46⅞	.48⅝
		Barley			
.64¾	.49⅜	May	.64⅝	.64	.64⅜
.64¾	.55⅛	July	.63¼	.62⅛	.63
.63⅞	.57	Oct.	.63	.59	.61⅞
		Flax			
1.64⅛	1.40¼	May	1.64	1.64	1.64
1.64	1.48	July	1.64	1.64	1.64
1.64	1.60	Oct.	1.64	1.64	1.64
		Rye			
.67⅞	.52¾	May	.66⅝	.66⅝	.66⅝
.66⅝	.60⅞	July	.66⅝	.66⅝	.66⅝
.66⅝	.66⅝	Oct.	.66⅝	.66⅝	.66⅝

Cash Quotations

	For Week Mar. 9 High	Low	Prev. Week High	Low
Wheat:				
1 Hard	.78	.76¾	.78⅝	.75½
1 Nor.	.77⅞	.76¾	.78⅜	.75¼
2 Nor.	.74⅝	.73¼	.75¼	.72⅜
3 Nor.	.73¼	.72⅛	.73¾	.70⅞
4 Nor.	.72	.70⅞	.72⅜	.69½
5 Wheat	.69⅞	.68⅜	.70½	.67⅜
6 Wheat	.67⅞	.66⅜	.68⅛	.65⅝
Feed	.65⅝	.64¼	.66	.63⅛
Oats:				
2 C. W.	.50	.40½	.50	.48⅝
3 C. W.	.48½	.47⅜	.48⅛	.46⅜
Barley:				
1 Feed	.60⅛	.59¾	.60	.59
2 Feed	.59⅛	.58⅜	.59	.58
Flax:				
1 C. W.	1.64	1.62	1.64	1.62
2 C. W.	1.59⅛	1.59½	1.59⅛	1.59¼
Rye:				
2 C. W.	.65⅛	.64⅞	.64⅞	.64⅝

DIVIDEND NOTICES

KERR-ADDISON GOLD MINES LIMITED
(No Personal Liability)
INTERIM DIVIDEND NO. 11

Notice is hereby given that an interim dividend of five cents per share has been declared on the issued capital stock of the company, payable in Canadian funds on April 28th, 1942, to shareholders of record at the close of business on April 10th, 1942.

By Order of the Board,
G. A. CAVIN, Secretary-Treasurer.
Toronto, Ontario, March 10th, 1942.

Hollinger Consolidated Gold Mines Limited
DIVIDEND NUMBER 355

A regular dividend of 1% has been declared by the Directors on the Capital Stock of the Company, payable on the 25th day of March, 1942, to shareholders of record at the close of business on the 11th day of March, 1942.

Dated the 4th day of March, 1942.
P. C. FINLAY, Secretary.

The Toronto Mortgage Co.
Quarterly Dividend

Notice is hereby given that a dividend of $1.25 per share, upon the paid-up Capital Stock of this Company, has been declared for the current Quarter, and that the same will be payable on and after

1st April, 1942,

to Shareholders of record on the books of the Company at the close of business on 14th instant.

By Order of the Board,
WALTER GILLESPIE, Manager.
5th March, 1942.

San Antonio Gold Mines Limited
(No Personal Liability)
Dividend No. 17

Notice is hereby given that a dividend of 7c a share, and an extra dividend of 3c a share, making 10c a share in all, has been declared on the outstanding capital stock of the company, payable in Canadian funds, on the 20th day of April, 1942, to shareholders of record at the close of business on the 4th day of April, 1942.

By order of the Board.
M. SNYDER, Secretary.
Winnipeg, February 20, 1942.

DIVIDEND NOTICES

WESTERN GROCERS LIMITED
NOTICE OF DIVIDENDS

Notice is hereby given that the following dividends have been declared:

On the Preference Shares, 1¾% ($1.75) for the current quarter;

On the Common Shares, 75c per share;

On the Common Shares, an extra $2.00 per share;

All payable April 15th, 1942, to shareholders of record March 20th, 1942.

By Order of the Board.
W. P. RILEY, President.

DIVIDEND NOTICE

BRITISH AMERICAN OIL COMPANY LIMITED

NOTICE is hereby given that a dividend of Twenty-five Cents (25c) per share has been declared on the issued No Par Value capital stock of the Company for the first quarter ending March 31, 1942. The above dividend is payable in Canadian funds, April 1st, 1942, to shareholders of record at the close of business on the 12th day of March, 1942.

H. H. BRONSDON, Secretary.
Dated at Toronto, March 9th, 1942.

The Sherwin-Williams Company of Canada, Limited

NOTICE IS HEREBY GIVEN that the one hundred and twenty-third quarterly dividend of one and three-quarters per cent (1¾%), being at the rate of seven per cent (7%) per annum for the quarter ending February 28, 1942, on the Preferred Stock of the Company has been declared payable to Shareholders of record the 15th day of March, 1942, and that cheques will be mailed April 1, 1942.

Books not closed.

By Order of the Board.
P. W. HOLLINGWORTH, Secretary-Treasurer.
Montreal, Quebec. February 5, 1942.

DIVIDEND NOTICES

CANADA PERMANENT MORTGAGE CORPORATION

Notice is hereby given that a Dividend of TWO PER CENT. on the paid-up Capital Stock of the Corporation has been declared for the current quarter, and that the same will be payable WEDNESDAY, THE FIRST DAY OF APRIL next, to Shareholders of record at the close of business on the Fourteenth day of March 1942.

By order of the Board.
Walter F. Watkins, Secretary.
Toronto, February 25th, 1942.

DIVIDEND

Chartered Trust and Executor Company

NOTICE is hereby given that a dividend of 1% has been declared on the paid-up Capital Stock of Chartered Trust and Executor Company for the quarter ending March 31st, 1942, payable April 1st, 1942, to shareholders of record at the close of business March 14th, 1942.

By Order of the Board.
E. W. McNEILL, Secretary.
Dated at Toronto, February 19th, 1942.

SOUTHERN CANADA POWER COMPANY, LIMITED

The Board of Directors has declared this day the following dividends:

6% Cumulative Participating Preferred Stock

No. 89, quarterly, $1.50 per share, payable April 15th, 1942, to holders of record at the close of business March 20th, 1942.

No Par Value Common Stock

No. 68, quarterly, 20c. per share, payable May 15th, 1942, to holders of record at the close of business April 30th, 1942.

L. C. HASKELL, F.C.I.S., Secretary.
Montreal, February 27th, 1942.

DIVIDEND NOTICES

BRITISH COLUMBIA POWER CORPORATION, LIMITED
DIVIDEND No. 55

NOTICE is hereby given that a dividend of Fifty cents (50c) per Share on the Class "A" Shares has been declared for the three months ending March 31st, 1942, payable by cheque dated April 15th, 1942, to shareholders as of record at the close of business on March 31st, 1942; such cheques will be mailed on April 14th, 1942, by the Montreal Trust Company from Vancouver.

By Order of the Board,
J. A. BRICE, Secretary.
Vancouver, B.C., March 6th, 1942.

SIMPSONS, LIMITED
Preference Dividend No. 45

NOTICE is hereby given that a Dividend of One dollar and sixty-two and one-half cents ($1.62½) per share on the Outstanding Paid-up Six and one-half per cent (6½%) Cumulative Preference Shares of the Company has been declared payable May 1, 1942 to shareholders of record as at the close of business on April 18, 1942. The transfer books will not be closed.

Frank Hay, Secretary
Toronto, March 10, 1942

The Ontario Loan & Debenture Company
219th DIVIDEND

Notice is hereby given that a Quarterly Dividend of $1.25 per share for the current quarter ending 31st March, 1942, has been declared on the paid up Capital Stock of this Company and will be payable at the Company's Office, London, Ontario, on the 1st April, 1942, to Shareholders of record at the close of business on the 16th March, 1942.

By Order of the Board.
T. H. MAIN, Manager.
London, Ontario, 3rd March, 1942.

McCOLL-FRONTENAC OIL COMPANY LIMITED

"PREFERRED STOCK DIVIDEND NO. 57".

NOTICE IS HEREBY GIVEN that a Dividend of $1.50 per share being at the rate of 6 per cent per annum has been declared on the 6% Cumulative Preferred Stock of McColl-Frontenac Oil Company Limited for the quarter ending March 31st, 1942, payable April 15th, 1942, to shareholders of record at the close of business March 31st, 1942.

By order of the Board.
FRED HUNT, Secretary.

DIVIDEND NOTICES

The Borden Company
ANNUAL MEETING

The annual meeting of stockholders will be held on Wednesday, April 15, 1942, at ten o'clock A.M. (Eastern War Time) at our registered office, 15 Exchange Place, Jersey City, N. J.

Only stockholders of record at the close of business on Wednesday, March 18, 1942, will be entitled to vote at said meeting, notwithstanding any subsequent transfers of stock. The stock transfer books will not be closed.

The Borden Company
WALTER H. REBMAN, Secretary

Sun Life Assurance Company of Canada
Head Office: Montreal
Stock Transfer Department

Notice is hereby given that a dividend of three dollars twenty-five cents ($3.25) per share on the capital stock of the Company has been declared for the quarter ending March 31st, 1942, and will be paid on April 1st, 1942, to shareholders of record at the close of business March 16th, 1942. The stock transfer books of the Company will be closed from March 17th to March 31st, both dates inclusive, for the preparation of the above dividend.

By Order of the Board,
F. J. CUNNINGHAM, Secretary.

The Montreal Cottons Limited

NOTICE IS HEREBY GIVEN THAT THE SIXTY-NINTH ANNUAL GENERAL MEETING of the Shareholders of The Montreal Cottons Limited will be held in the office of the Company, 710 Victoria Square, Montreal, on Wednesday, the 25th day of March, nineteen hundred and forty-two, at the hour of 2.30 o'clock P.M. for the purpose of receiving the Annual Report, electing a Board of Directors for the ensuing year, appointing auditors, and to transact such further business as may come before the meeting.

By Order of the Board,
CHAS. GURNHAM, Secretary-Treasurer.
Valleyfield, March 6th, 1942.

Still Greater Effort Asked From Mines

Metals Controller Says Gold Mines to Get "Essential Materials"

Calling for an ever-greater effort by Canada's mining industry to meet the tremendous war demand for metals, George C. Bateman, Canada's Metals Controller told the Canadian Institute of Mining and Metallurgy convention in Toronto this week that no solution is yet in sight to any of our non-ferrous metal problems.

In referring to gold mining, he stated that the Dominion government will continue to do its best to see that essential supplies of materials will be made available to keep existing mines in operation but that the equipment and supplies cannot be expected for opening new gold mines. He called on present mines to make the best possible use of their existing equipment.

Consumer Provides Metals

The only possible way the stringent non-ferrous metals situation can be met is "to go where scarce materials are being used for the least essential purposes and take them away in order that they may be made available for essential war needs," the convention was told. This must be done regardless of its effect on our national economy, he stated. Such a programme will involve hardship and sacrifice and is expected to involve disruption of many lines of business but must be carried through. In some lines of business, Mr. Bateman expects it will mean ruin for the businessman.

Mr. Bateman said that ideas on inventories must also be changed:

"Today the man who builds up unnecessarily large inventories of scarce materials is not showing what in ordinary times might be considered as good business judgment, he is doing a disloyal act and sabotaging the war effort. And, I would say, too, that the salesman who, in the mistaken belief that he is doing his customer a service, assists him in buying more than his essential requirements is doing a disservice to his country. He would be better employed in using his expert knowledge to show his customers how they can get along with less or do without entirely."

Time A Leading Factor

One of the most important things in the present situation is time, Mr. Bateman stressed. "If we had plenty of time," Mr. Bateman said, "our problem would be very much simpler because Great Britain and the United States between them have control of far greater mineral resources than our enemies. However, we have to try to do in one, two or three years what the Axis powers have taken many years to accomplish.

"If we had time, we might find new mines which are badly needed. If we had time, we might, perhaps, increase the capacity of existing mines although it is questionable if a great deal more can be done in that way. Our mines are being worked under pressure and our smelters are working practically to the limit of their capacity. In any event, any large programme involving mine development, and milling and smelting facilities might take years. We haven't those years and if we wait for them, we may be lost.

Resources Not Illimitable

"We have been too apt to talk glibly about our illimitable mineral resources. In talking this way, we have just been fooling ourselves. Our resources are far from illimitable and I am appalled to think of the toll that is being taken of our vanishing ore reserves and of the effect that this may have on the future of the mining industry in Canada. If you were to ask me how these depleted resources could be replaced, if you were to ask me where we could quickly provide new and important supplies of metals, I would have to tell you that I do not know. This is not a very optimistic picture but it is time we wakened up and faced facts."

Asks Maximum Effort

Mr. Bateman said the mining industry can play its part in the war effort by maximizing its activities as far as possible; "to the base metal mines I would say that they should strive for the maximum production and that they should not let the dollar sign be the determining factor in deciding what is the maximum. . . . To all the mines I would say that they should utilize existing plant and equipment to the best possible advantage.

"To the industry, I would say that the time has come, if it is not overdue, when we must make an inventory of our mineral possibilities. We must be prepared to spend money indefinitely proving the possibilities of marginal and submarginal deposits, because, if conditions become more critical, the marginal and submarginal deposits of today may become the essential mines of tomorrow. The government should assist in this, but the industry should do part of the work and shoulder part of the burden. The government owes a great debt of gratitude to the mining industry for its outstanding contribution to the war but now, faced with new and more serious conditions, we ask it to do more.

Government Is Helping

"The government, on its part, is already doing a good deal. We have spent millions of dollars in building up stockpiles of certain strategic mineral products. We are spending millions in the construction of a magnesium plant using a process sponsored by Canadian mining men. We are financing the development of deposits of strategic minerals and we are trying in many ways to protect the supply position."

Mr. Bateman revealed many important effects the war has had on mining and associated industries. In the production of ferroalloys, for instance, Canada used 30,000 h.p. before the war. Now 200,000 h.p. is being used. Production of tin from Consolidated Smelters is expected to be about 6% of Canada's 1941 consumption, he stated. When it is realized one large bomber takes 85,000 lb. of aluminum, it is seen why a 1,000% increase in aluminum production over the prewar figure is not surprising—and that is what plans call for.

Power for aluminum production is definitely short and that is why we will see some of the new plants built in some of the large cities in the United States where power can be taken away from other uses. Nickel production today is approximately seven times what it was in 1914, but today the deficiency is twice as much as the total production in 1914. Some people may think that the nickel resources of the Sudbury district can be drawn on to a much greater extent but there are very definite limits to which this can be done without endangering the industry.

The seriousness of the need for copper and zinc for brass is evidenced in the fact that prewar production of brass has been increased by over 1,000% and may have to be increased to over 1,500% in order to satisfy our requirements. Sources of strategic war minerals are in greater jeopardy than ever before.

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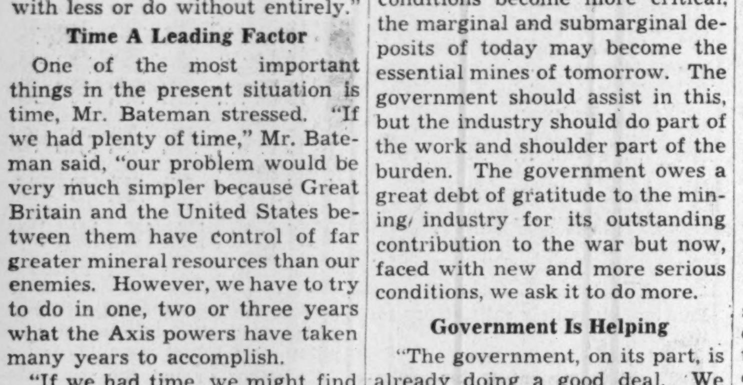
In March 15 MACLEAN'S NAVY NUMBER



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Beverley Baxter, Grant Dexter, Kenneth R. Wilson, Helen G. Campbell, Lieut. E. H. Bartlett, R.C.N.V.R., all writing about the Navy.

The Navy Number MARCH 15th

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CANADA'S NATIONAL MAGAZINE

Mining INVESTMENTS

Alloy steels are now finding wide acceptance as "drill steel" in Canada's mining industry and are tending to replace the straight carbon steel in the drilling of rock, C. G. Kemsley, reports in a paper presented to the C.I.M.M. convention in Toronto.

In order to avoid making changes in conventional shop practice, the industry has been perhaps too insistent upon obtaining a water hardening steel which could be handled in the blacksmith shop by long-established methods, he states. As early as 1932 or 1933 an oil hardening tool steel of the 1% carbon, plus chrome, plus molybdenum type was applied to hollow drill steel. It was known as a hard as well as a tough steel. Theoretically, it should give a good account of itself as a drill steel and so it proved in practice.

Twenty-two mines in Porcupine, Kirkland Lake and Quebec areas have now adopted the alloy steel and numerous advantages have been found for it. The most outstanding are as follows:

1. Reduction in breakage.
2. The ability to use a lighter drill section reducing handling costs.
3. The ability to use a smaller gauge in drilling resulting in increased drilling speeds.

* * *

An era of progress in the field of mine ventilation was reviewed by C. S. Gibson of the Ontario Mining Association in another paper presented at the Canadian Institute of Mining and Metallurgy annual convention.

The most striking development from the viewpoint of the layman is the fact that many mines in Ontario—gold and base metal mines alike—are now ventilated artificially with majority of men now working in "conditioned" air.

A total of 48 fans are now in use supplying no less than 3 million cubic feet of air a minute. Facilities for control of dustiness are in operation at all mines. Increased efficiency, decreased upkeep and a smaller turn-over of men are results attributed to installation of mine air-conditioning.

* * *

J. Gordon Hardy, president of Falconbridge Nickel Mines stated at the company's annual meeting:

"We must not blind ourselves to the belief that a situation such as the Kirkland Lake strike cannot happen again and it is for this reason—and your reassurance—that I take this opportunity to say something about it.

"The strike had the effect of calling attention to the great betterment already existing in working conditions and remuneration to labor existing within the mining industry, and to the fair approach now available between men and management. As far as your company is concerned, you should know that since 1937 your employees have been represented by a workmen's council, elected yearly by themselves from the various departments of the operation, and free to directly take up with the manager all questions or suggestions that arise in connection with their work. It is a pleasure to testify to the intelligent and reasonable way in which these councils have labored to maintain a proper and fair balance between their co-workers and the company."

More and more workers councils are being organized through the north country. The mining industry hopes that with the closer relationship which it brings between management and men, a strike situation such as called by the C.I.O. in Kirkland Lake will not be repeated. Even since the Kirkland Lake affair, however, the C.I.O. has been increasingly active in the Sudbury area and a considerable proportion of miners are reported to have been "signed up" in the area.

* * *

Invasion of New Guinea has commenced following the fall of Java. The enterprise of Bulolo Gold Dredging consequently appears in imminent danger of falling into Japanese hands if this has not already happened.

While Bulolo is situated 35 miles inland from the Port of Salamoa, it has not escaped bombing by the Japanese although the extent of damage, if any, is not known. Why the Japanese would want to bomb a point so far inland is a mystery. With capture of New Guinea ports Bulolo would not likely be an important military factor. Salamoa is already reported in Japanese hands.

Young Davidson Gold Mines has declared a dividend of 2 cents a share payable Mar. 20, 1942, to shareholders of record Mar. 10. Last previous payment was 1½ cents a share June 28, 1941.

Coniaurum Net Edges Higher

Although the excess profits tax proved exceptionally heavy on the company, Coniaurum Mines was able to increase profits slightly in 1941. Net profit of $401,470 was equal to 14.5 cents a share against the 14.2 cents earned in 1940.

Reviewing developments, Thayer Lindsley, president, states 1941 was a satisfactory year and developments above and below the 5,000-ft. level have been encouraging. Work during the year was carried out on many levels from 400 to 5,000 ft. depth.

The 5,000-ft. level development has been extended east of the Bishop sub-shaft with one good ore shoot opened up for stoping. This is the first ore that has occurred east of the Bishop sub-shaft. Diamond drilling has indicated that further ore lenses may be expected in this area. This would appear to show the ore has an eastward trend as depth is reached, centralizing the main working shaft.

Broken ore reserves at the end of 1941 were 108,829 tons, a reduction of 4,671 tons from the previous year. A total of 186,885 tons of ore were milled in 1941 with an average recovery of $10.03 a ton.

Income and Surplus Account
Years Ended Dec. 31

	1941	1940
	$	$
Bullion production ..	1,3[illegible],891	1,370,570
Less: Development ..	3[illegible],851	337,524
Diamond drilling ..	41,810	40,851
Mining	480,041	458,879
Milling	127,156	126,448
Marketing	20,761	20,740
Gen. mine expense.	46,631	37,597
Silicosis assess.	7,872	10,776
Mine off. & super. .	48,618	49,663
Admin. & gen. exp.	22,328	25,370
Oper. earnings	705,823	762,722
Add: Int. & dividends	16,454	17,309
Profit on securities	505	1,255
Total net earnings ...	722,782	781,286
Less: Taxes	*219,206	283,117
Depreciation	102,106	106,670
Net profit	401,470	391,499
Less: Dividends	442,679	498,014
Deficit for year	41,209	106,515
Add: Prev. deficit ...	210,647	104,132
Deficit forward	251,856	210,647

*After $15,794 1940 adjustment.

Earnings Per Share and Dividend Record:	1941	1940
Earned	$0.145	$0.142
Paid	0.16	0.18
No. of Shs. Outstand..	2,766,743	2,766,743
Working Capital		
Current assets	1,108,362	1,047,597
Current liabilities	397,838	352,271
Working capital	710,524	695,326

Island Mountain Year a Record

Besides increasing profits and production from $808,090 to $954,248, Island Mountain increased ore reserves to 73,000 tons of 0.47 oz. grade from 57,700 tons of 0.39 oz. grade a year earlier. A total of 54,398 tons of ore were milled in 1941 against 49,229 tons in 1940.

Because of sulphide ore showings on the bottom level at 3,000 ft., plans are now going ahead for deepening the shaft a further 450 ft. for opening up three further levels at 150-ft. intervals.

Besides its main group, Island Mountain holds 15 claims on Proserpine Mountain, 19 claims in the Myrtle-Shamrock group and 23 claims in the Rich group on Richfield Mountain. Work is being undertaken at the old Shamrock tunnel which has been retimbered. It is expected to reach the favorable zone after a further 1,200 ft. When the Rainbow formation is reached, drifting and diamond drilling will be undertaken to explore the zone. Prospecting is to be carried out on the Rich group this summer.

Income and Surplus Account
Years Ended Dec. 31

	1941	1940
	$	$
Bullion sales	954,248	808,090
Less: Oper. costs	519,704	492,132
	434,544	315,958
Add: Interest earned .	1,645	3,534
Profit on invests. ..	6	......
Net income	436,195	319,[illegible]91
Less: Depreciation ...	36,485	23,369
Income taxes	117,492	79,696
Net profit	282,218	216,126
Less: Dividends	189,129	157,607
Surplus for year	93,089	58,519
Add: Prev. surplus ..	97,505	38,986
Less: Deprec. adjust..	16,528	......
Depletion adjust. ..	52,535	......
Surplus forward	121,531	97,505
Earnings Per Share and Dividend Record:		
Earned	$0.269	$0.206
Paid	0.18	0.15
No. of Shs. Outstand..	1,050,716	1,050,716
Working Capital		
Current assets	417,590	472,600
Current liabilities	142,417	99,972
Working capital	275,173	372,628

U. S. Miners Head Asks Truer War Appraisal

Speaking to the annual convention of the Canadian Institute of Mining and Metallurgy, Dr. Eugene McAuliffe, president of the American Institute of Mining and Metallurgical Engineers and an outstanding figure in the United States mining industry, sounded a call for a greatly intensified war effort.

Said Mr. McAuliffe:

"Many of our people on both sides of the Canadian line have not as yet properly appraised the true war situation. With us fixed plans for social betterment are deeply imbedded in the minds of our governmental leaders, organized labor, our farmers and stock growers, transcending in importance the winning of a war, so extensive, so far reaching in its implications, as to stun many of us who are without the sound of the guns. Somehow we must try to awaken the full citizenship of Canada and the United States to the fact that this is an 'All War, Our War.'

"Let there be no misunderstanding. This war will be won by the allied forces if and when the thousands upon thousands of our youth who are leaving the United States and Canada daily for points unknown, are given the needed equipment. This is a war not of men mounted or on foot, racing against a similarly equipped foe. It is a war of machines, with destruction rained down from the skies. Britain's long accepted mastery of the seas is out and our Pacific fleet went out in an hour at Pearl Harbor.

"Our need today is for greater production, an acceptance of responsibility on the part of labor leaders and better leadership by our elected heads of government."

Strike Affects Teck Profit

Earnings Equal 50.6 Cents for 16 Months Including Lamaque Dividends

Reflecting a lower rate of production due in part to the Kirkland Lake strike, earnings of Teck-Hughes Gold Mines declined to 50.6 cents a share for 16 months ended Dec. 31, 1941, compared with 48 cents for the year ended Aug. 31, 1940.

Due to declining mine results, average milling rate was lowered in successive stages from 814 to 200 tons a day with the milling rate currently around 230 to 250 tons a day. With the new set of conditions existing following the strike, it was found desirable to eliminate certain lower grade material from estimated ore reserves. Reserves at the end of 1941 are placed at 345,969 tons of $11.80 grade at $35 gold against 515,197 tons of $10.24 grade at $35 gold as at Sept. 1, 1940.

Of the total earnings of 50.6 cents a share for the period, 30.2 cents a share was derived from Lamaque Gold Mines, it is noted.

Exploration for outside properties was suspended the latter half of 1941 "when it became apparent conditions were no longer favorable to the development of new gold mines and were unlikely to improve under war conditions." Expenditures on the Beaucourt and Barraute properties were converted into stock interests and it is stated that the companies involved can become active again if and when suitable operating conditions return.

Income and Surplus Account

	16 Mos. ended Dec. 31 1941	Year ended Aug. 31 1940
	$	$
Bullion production ..	3,645,581	3,605,276
Less: Dev. & mining .	1,435,040	1,313,344
Milling	360,296	314,070
Gen. expense	321,026	268,560
Taxes	571,870	530,044
Exam. new props. ..	7,264	53,539
Operating earnings ..	950,085	1,125,719
Add: Lamaque divds.	1,449,941	1,141,305
Other income	33,828	26,534
Net profit	2,433,854	2,293,558
Less: Dividends	2,403,573	2,163,214
Surplus for year	30,281	130,344
Add: Prev. surplus ..	3,950,718	3,820,374
Surplus forward	3,980,999	3,950,718
Earnings Per Share and Dividend Record:		
Earned	$0.506	$0.48
Paid	0.50	0.45
No. of Shs. Outstand..	4,807,144	4,807,144
Working Capital		
Current assets	3,532,557	4,255,012
Current liabilities ...	834,936	1,394,092
Working capital	2,697,621	2,860,920

Long Lac Shaft Down 2,800 ft.

Depth Work Expected to Start Next June—Profit About 20 Cents

From Our Own Correspondent

GERALDTON.—Sinking of the new internal shaft at Little Long Lac Gold Mines has now been carried from the 2,200-ft. horizon to 2,800 ft. on its way to its objective at 2,850 ft. Four new levels are to be established off this shaft at 2,400, 2,550, 2,700 and 2,850 ft.

There are distances of 150 to 200 ft. to the south to be traversed by drifting to reach the projected downward extension of the main vein.

South Vein Shows Ore

On the 16th level drifting on the No. "09" vein located 600 ft. south of the main vein shows a length of 216 ft. of ore averaging 0.23 oz. gold across an average width of 34 in. The vein carries relatively high content of scheelite and is being stoped for recovery of tungsten.

The main vein system of the mine has shown strong continuity to depth with severe folding below the 11th level. The south branch has been opened up over a progressively greater length on each successive level. Length is 640 ft. in the south branch on the bottom level at 2,200 ft. depth. This is practically 50% of the total length of 1,226 ft. running 0.689 oz. cut grade over an average width of 41.4 in.

Stoping is now proceeding on the four present bottom levels in both the north and south branches.

Working capital is reported in excess of $700,000 while earnings are reported lower at 20 cents a share. Reduction in production by a narrow margin and higher taxes combined to reduce earnings.

Output Rises At Lamaque

While bullion production was higher at Lamaque Gold Mines in 1941, net profits were slightly lower at 52 cents a share (55 cents in 1940) due to a combination of higher operating costs and increased taxes.

Bullion production of $4,955,040 was secured from milling of 448,934 tons of ore, an average of $11.04 per ton. Output the preceding year was $4,899,668 from 444,721 tons of ore, an average of $11.02 a ton.

Ore reserves during 1941 increased by a total of 44,915 tons amounting to 951,005 tons of $10.08 a ton average grade, at $35 gold as at Dec. 31, 1941. This is equivalent to roughly two years' mill feed at the current mill rate.

Sinking of the No. 7 shaft has now been carried to its 3,600-ft. objective and hoisting from new levels is expected to be under way shortly.

During 1941 a total of 5,885 ft. of ore was opened up in drifts averaging $12.12 a ton at $35 gold. Practically all ore drawn for stoping came from the old block of ground above the 1,200-ft. level, only about 24,000 tons having been drawn from the new stopes on the 1,300 and 1,400-ft. levels.

Income and Surplus Account
Years Ended Dec. 31

	1941	1940
	$	$
Bullion production ..	4,955,040	4,899,668
Add: Invest. income ..	23,523	16,821
	4,978,564	4,916,489
Less: Oper. expenses	2,171,844	2,107,448
Salaries & fees	16,400	16,400
Directors' fees	2,583	3,000
Legal fees	512	2,716
Prov. & munic. taxes	141,006	146,921
Sh. transfer, etc. ..	2,175	1,947
Net oper. profit	2,644,044	2,638,057
Less: Depreciation ..	306,557	303,122
Development w/o ..	149,316	222,360
Dom. income tax ..	615,704	447,633
Net profit	1,572,467	1,664,942
Less: Dividends	1,800,000	1,500,000
Surplus for year	*227,533	164,942
Add: Prev. surplus ..	2,854,444	2,689,503
Surplus forward	2,626,911	2,854,445

*Deficit.

Earnings Per Share and Dividend Record:	1941	1940
Earned	$0.52	$0.55
Paid	0.60	0.50
No. of Shs. Outstand..	3,000,000	3,000,000
Working Capital		
Current assets	3,696,409	3,251,686
Current liabilities	1,336,531	982,778
Working capital	2,359,878	2,268,908

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Magdalen's Manganese Gets First Drilling

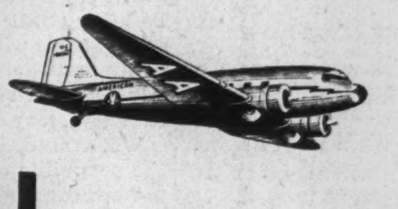
During December and January, the first drilling to test manganese showings on the Magdalen Islands in the Gulf of St. Lawrence was carried out with results stated to be "very definitely encouraging." The drilling was carried out on manganese claims held by a private trust of four people with drilling reported to be on the extension of the zone where Magdalen Manganese Mines has completed its work.

The trust has retained some 28 claims on Grindstone Island adjacent to Magdalen Manganese for two years and, in addition, holds 25 claims on Amherst Island. The first drilling was carried on at Grindstone until the severe weather made drilling expensive and operations were shut down until this coming spring.

Drilling was done with a core drill on the advice of the consulting engineer rather than a diamond drill which it was felt would not give satisfactory results with manganese.

The trust's property on Grindstone Island is held in two groups and it is planned to turn over one of these to a company for further development. Decision to form the company followed the "very satisfactory" results secured in drilling, it is stated.

The drilling in December and January is stated to have been carried out at 1,000 ft. to the east of the Magdalen property on the long break that extends through Grindstone Island showing manganese values. Drilling is stated to have definitely exploded one geological theory which had been advanced and to have proved another. It is stated that results on drilling will not likely be released until negotiations for other properties have been completed.



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3 Have you adjusted your business and your methods of operating so as to crowd into every day every last item that your equipment will produce?

4 Have you thoughtfully analyzed your business with a view to finding some way in which you might take on a still bigger portion of war production?

5 Are you one of the few who dodge war orders because they do not provide your accustomed profits?

6 Have you earned the loyalty and the enthusiastic support of those who work for you and with you?

BRAVE MEN SHALL NOT DIE BECAUSE *I* FALTERED

This message is issued by the Department of Munitions and Supply for Canada

Where Turner Valley Royalties Stand Today

Royalties Money-makers But Investor Must Buy Right Ones at Right Price

By GORDON M. GRANT

Big as the business of royalty financing of oil wells in Turner Valley has become, too few investors fully understand oil production and the profit possibilities.

Flowing steadily to The Financial Post is a stream of enquiries asking such questions as:

Are oil royalties investments or speculations?

How long can an oil well expect to continue producing and at what rate?

Is a producing royalty safer than a "drilling" royalty?

Is a net preferred royalty safer than a gross royalty?

Forthright answers are not possible for many of the questions asked. But many questions have quite definite answers — answers the oil royalty purchaser should understand.

One frequent question is: "Can the purchase of oil royalties be a profitable business after interest on money is taken into account?" or—put in another way—"Are oil royalties a really commercial proposition?"

Well Drilling is Profitable

The answer to that all-important question is a definite yes—provided royalties are bought at the right price. That does not mean all Turner Valley oil wells will eventually prove to be profitable but that drilling of oil wells in Turner Valley can be and often is really profitable.

What price should be paid for an oil royalty? Some say a royalty should return its purchase price in three years. Actually, a great many factors such as gas-oil ratio, the amount of preference repaid, the rapidity with which the field in general is being developed, and many other factors have a bearing on an oil royalty's value. No "formula" solution is available. But valuable reasoning can be done.

A Typical Case

Say a well has 52 net preferred royalty units issued selling at $10,000 apiece — a total value of $520,000. In addition to this, there may be 25 gross royalty units worth $8,000 apiece — another $200,000. Let us say 23 deferred net royalties issued are worth a $115,000 total. This gives a total value to the well which must be returned before there is any income or profit of $835,000.

If the well is producing about 800 bbls. a day which would represent a typical north end well, with royalties selling at these prices, money available for payment to royalty holders would be in the neighborhood of $37,200 a month after allowance for operating expenses.

With oil at $1.52 a barrel, the gross oil income from the month's 24,800 bbls. of oil would be about $38,000, the expense being relatively small.

At the rate of returns of $37,200 a month, the well would have to continue producing at the same rate for 22 months to return the market value before any income or profit would be received. Actually the well may be expected to show a gradual decline in production as it grows older and the purchase price could certainly not be expected back in 22 months. Three years or perhaps more may elapse before the purchaser is "in the clear" at royalty prices such as those named.

"Drillers" Have Attraction

Net preferred royalty units on wells to be drilled are floated at about $4,375 per 1%. If the purchaser is fortunate enough to have bought into what proves to be a 1,000-barrel a day well, at the $4,375 price paid, he may expect to have his purchase price liquidated in as little as a year or 18 months. He may be able to sell his royalty at $8,000 to $10,000. The greater speculation involved in a drilling royalty pays well when a good well is brought into production. The important thing in a drilling royalty is the location. An offset next to a good producer is no guarantee of success but it is a much more conservative practice to buy a royalty in an offset well than to buy a royalty interest in a well to be drilled out in relatively open country.

Rate of decline of production is a key factor in an oil royalty's value. In the north end where present development is centring, it will be shown later that six wells had a decline of 13.8% in production in a period of five months. This is not necessarily an indication of the future rate of decline of these wells in the north end or even the rate of decline for future wells drilled in the area, but it does give some indication of the rate production does gradually grow smaller. In two years a well may be down to half its original size.

The following table — which is entirely approximate — may help the investor to work out roughly the value of the future royalty benefits to be secured from a well:

Daily Allowable:	Oil Price	Approx. Mthly. Return Gross	Pfd. Net
	$	$	$
100 Barrels ..	1.52	45	52
200 Barrels ..	1.52	91	120
300 Barrels ..	1.52	136	205
400 Barrels ..	1.52	182	257
500 Barrels ..	1.52	228	326
600 Barrels ..	1.52	273	394
700 Barrels ..	1.52	319	462
800 Barrels ..	1.52	364	531
900 Barrels ..	1.52	410	599
1,000 Barrels ..	1.52	456	668
1,100 Barrels ..	1.52	501	736
1,200 Barrels ..	1.52	547	804
1,300 Barrels ..	1.52	592	873
1,400 Barrels ..	1.52	638	941
1,500 Barrels ..	1.52	684	1.010
1,600 Barrels ..	1.52	729	1.078
1,700 Barrels ..	1.52	775	1,146
1,800 Barrels ..	1.52	820	1,215
1,900 Barrels ..	1.52	866	1,283
2,000 Barrels ..	1.52	912	1,352

The fact that North Turner Valley is "head and shoulders" above the long southern section of the valley, as far as drilling commercial wells goes, is not challenged. Starting just one subdivision below Township 21, Turner Valley wells have shown themselves uniformly large, both under the old type, and new Brown plan, allowables. Wells immediately to the south have been large on the average, but have not shown quite the same uniformity as the nine great wells completed further to the north.

All Over 550 Bbls.

All the nine "north end" wells covered in the March allowables are allowed to produce over 550 bbls. of oil a day. The highest allowable for the field was given to the Major Oil No. Two well which may turn out 1,009 bbls. of oil a day. Monthly allowables assigned to these big north end wells are shown in an accompanying table.

By far the oldest of the north end group of big wells, Alberta Oil Incomes No. 2 well returned over $4,000 for each 1% net preferred royalty unit issued up to the end of January.

This means that almost all the original issue price of the royalty ($4,375) has been liquidated in approximately 15 months. The royalty unit is still distributing approximately $225 monthly. After 15 months of productive life, the royalty unit retails today for around $6,000 with the buying price some 20% less than the retail price. This is real evidence of how these north end wells can be "money-makers."

Successful north end development, including the key Atlas-British Dominion No. 2 well, has resulted in a tremendous spurt in north end development. Along a stretch of five miles north of the field's present northerly production limit, no less than 20 well locations have been selected. Drilling is already under way at most of the well sites. Some authorities feel it might have been wisdom to have drilled a larger proportion of further wells as offsets to some of the big north end producers, drilling a smaller number of wells to prove or disprove an extension of Turner Valley five miles further north. But geologists have reported favorably on oil possibilities for the "north stretch" and favorable geology is being found by the wells, some of which are already below 4,500 feet.

What Are Royalties?

Oil royalties are obviously less than "gilt-edged" investments. But they are not always purely speculative, above all, if they are producing royalties.

Instructions supplied to the Toronto Stock Exchange and the Oil Royalty Dealers' Association late last month by the Ontario Securities Commission, are interesting as they apply to the oil royalty field in general. The O. S. C. instructions were "that 'investment' may be used as descriptive of oil royalties only when qualified by the word 'speculative' or other plainly appropriate modification.

"'Drilling' royalties must be regarded as speculative and 'producing' royalties as a depreciating asset, sufficient allowance being made for return of capital before any computation is made as to actual income obtained therefrom. The monthly payoff may fluctuate materially in the future due to changes in volume of production and regulatory procedure, mechanical difficulties, changes in the price of oil, etc."

Don't Want Abortive Boom

In other words the Securities Commission takes the stand that a producing royalty is not as speculative as a drilling royalty, but that both have an element of speculation. With a boom in the oil royalty business following completion of the large north end wells, it is known that government authorities had feared that drilling of oil royalties might get out of hand and an unwarranted boom might take place. This resulted in the caution to oil royalty dealers not to overstate the investment qualifications of oil royalties.

One firm was prevented recently from advertising that its oil royalties would return investor seven times the money put in. Oil experts in this case couldn't see how investors could possibly secure more than three times the money put in. Another firm wants to state it has 80 "drill sites," but the geologist's report only shows two favorable locations for securing oil production. The "80 drill sites" statement will not be allowed.

Changes May Be Coming

By holding down overoptimism on the oil royalty situation, the Ontario Securities Commission is endeavoring to prevent "killing of the goose that lays the golden eggs." Advertised "returns of 30%," and the like, are out as far as the Ontario Securities Commission is concerned, it is understood.

Don't be surprised if the oil royalty offering sheet which must be submitted before an oil royalty sale is completed, is changed so that the salient features of the geologist's report must be included. Another change may be the requirement that production by months be shown where a well has been in production for less than 12 months. Where a well has been producing for more than 12 months, initial six months' production may be required to be shown along with the latest six months' production. This would give the investor some idea on the rate of production decline at the individual well—an important point.

Production Will Decline

Very obviously production from the individual well is bound to decline; production at some future date will end entirely. Production at some wells, of course, may fall off more rapidly than at others. Experience at one group of wells—say in central Turner Valley—may be quite different from that in north Turner Valley where gas-oil ratios may be better and where the wells are perhaps being produced under more favorable conditions.

In Turner Valley there is some reason for believing that north end producers may be drawing their oil from a different "pool" than the more southerly producers. Analysis of the hydrocarbons suggests this. Productive experience at a well such as Model No. 1 well may have little or no bearing on how north end wells may eventually turn out. It is understood that a future change in the offering sheet may include a clause saying that any estimate of the future production from an individual well, or a comparison of production with some other well, should be disregarded.

No Unwise Comparisons

Production of one well may give some indication of possibilities at another drill site, but it is not desired to have unwise comparisons drawn. It will be up to the individual investor with a sharp pencil to make comparisons.

Taking the north end wells as a group (shown in accompanying table), some interesting information can be worked out. The six north end wells which have been producing five months were allowed a combined daily allowable of 5,084 bbls or 846 bbls. of oil per well per day last November. Five months later, the five wells have a combined daily allowable of 4,380 bbls. of oil, an average of 730 bbls. a day. The average decline in the period was 13.8%. Some of the decline may have been due to changed methods of operating the wells.

Despite a rate of decline such as that mentioned, however, the average experience at the north end wells suggests that experience such as that at the Alberta Oil Incomes No. 2 well may not be uncommon. If the Atlas-British Dominion No. 2 well declines at the average rate mentioned above, it will still be as large as the Alberta Oil Incomes No. 2 well after it has been in production 15 months. While the allowable for the new Major No. 4 well may seem relatively small for a new north end producer, it is understood that the March allowable may reflect the well being overproduced in February. The well produced over 2,000 bbls. a day of oil for two days in February.

The 'Big Nine' Producers Of North Turner Valley

Monthly Allowable in Barrels

	Mar.	Feb.	Jan.	Dec.	Nov.	Oct.	Sept.
Ace Royalties 1	593	665	676	695	796	815	...
Alta. Oil Incomes 2..	555	544	545	555	568	574	627
Atlas-Brit. Dom. 2...	*909	...	...	...	...	...	...
Home Millarville 7...	627	619	630	651	680	706	785
Major Oil 2	805	866	868	900	972	998	...
Major Oil 3	1,009	1,113	1,115	1,165	1,192	...	...
Major Oil 4	647	...	...	...	...	...	...
Miracle Royalties 1..	791	834	835	854	876	903	749
Miracle Royalties 2..	862	...	...	...	...	...	...

*Temporary allowable.

Jason Net Profit Over $150,000

Earnings 5 Cents a Share Net or 10 Cents on Working Basis

Turning out $766,708 of gold from 48,362 tons of ore in 1941, Jason Mines realized an operating profit of $307,463 (10.2 cents a share) and a net profit of $150,684 (5 cents a share) after all charges. Earnings were 5 cents a share the preceding six months of operation.

Profits realized in 1941 allowed payment of $119,960 (4 cents a share) in dividends, $84,435 for final payment of the mortgage, $21,000 for final payments on the Hydro-Electric Commission account and $58,360 of capital expenditures. After all these, working capital was over $30,000 higher at $122,052.

Ore Reserves

As much of the year's work was concentrated on shaft, ore reserves showed some decline in tonnage and value. At the end of 1941, reserves, totalled 60,540 tons of $16.93 grade against 70,152 tons of $17.82 grade.

During 1941, the No. 2 shaft was deepened from the sixth to the seventh horizon and the seventh level was partially developed. No. 1 shaft was continued from the fourth to the fifth level where drifting is being continued with good results, it is stated.

Inventory was brought up to one year's supply for the main items and considerable in the way of spare parts, motors, etc., have been added. Deliveries on spare parts are now stated to be extremely slow.

Income and Surplus Account

	Year ended Dec. 31 1941	6 Mos. ended Dec. 31 1940
	$	$
Bullion production .	766,708	396,770
Less: Oper. exps. ..	438,373	190,588
Admin. & gen. exp.	22,679	13,488
Net earnings	305,456	192,694
Add: Sund. rev. ...	2,007	686
Total revenue	307,463	193,380
Less: Deprec.	89,500	23,075
Develop. w/o	37,010	14,733
Taxes	30,269	20,098
Net profit	150,684	135,474
Less: Divds.	119,960	......
Surp. for year	30,724	135,474
Add: Prev. surp.	135,474	......
Less: Adjusts.	1,083	......
Surp. forward	165,115	135,474
Earns. per Share & Divd. Record:		
Earned	$0.05	$0.05
Paid	0.04	nil
No. of Shs. Outstdg.	2,999,005	2,989,005
Working Capital		
Current assets	202,922	199,612
Current liabs.	80,870	109,062
Working capital	122,052	90,550

Sturgeon River Gold Mines has declared a dividend of 2 cents a share payable April 30, 1941, to shareholders of record April 15. Last previous payment was 4 cents a share April 30, 1941.

Premier Gold Mining Co. has declared 2 cents a share payable April 15 to record Mar. 16.

Mining Concentrates

A total of 26 new mining companies were established in Quebec during 1940, compared with 36 in 1939, according to a return tabled in the Legislature by Hon. Edgar Rochette, Quebec Minister of Mines.

The report said that at present there are 2,886 operators of mines and quarries in the province. The Department issued 3,015 certificates for registration of claims during the year and issued 965 mining certificates.

* * *

Barber Larder Gold Mines has called a special meeting of shareholders for Mar. 14 to consider sale of properties and equipment for 441,396 shares of Amalgamated Larder Mines. The Amalgamated Larder shares, which would be free of pool, would be distributed on the basis of one Amalgamated Larder share for each six Barber Larder shares held. If properties are sold, directors suggest Barber Larder liquid assets of $16,000 be retained for exploration of other properties. Sale to Amalgamated Larder is neither recommended or advised against as a difference of opinion exists among directors as to whether or not the property should be sold.

* * *

Central Zeballos ore reserves are reported to have been maintained at approximately 15,000 tons.

* * *

De Santis Porcupine Mines output in January was $32,834 compared with $36,876 in December and $37,036 in Jan., 1941.

* * *

Dome Mines reports a reduction in production for February:

1942	Tons milled	Tons daily	Recov. per ton	Total recov.
			$	$
February	48,900	1,746	12.45	600,883
January	53,800	1,735	11.71	630,099

* * *

Douglas Mountain Manganese which already holds claims adjoining Nabco Manganese in the Gowland Mountain district of New Brunswick plans to take over a number of other properties in the same general area. The main property comprises 13 claims while an additional property of 4½ claims is held in the Markhamville district. To open up the Douglas Mountain property, Douglas Mountain will use the same management and staff as Nabco Manganese.

* * *

Falconbridge Nickel shareholders were informed by president J. Gordon Hardy, at the annual meeting, that the $1 million expansion programme should be completed this spring. Despite the low production rate existing at the first part of 1941, production for last year was the largest in the company's history, he stated. Largely due to greater output, selling and delivery expenses showed an increase, the meeting learned. Operating costs showed an increase of 6.3% over 1939 while wage costs were 7.2% higher. While the company does not suffer from the excess profits tax, 20.4% of the operating profit was paid in taxes in 1941 compared with 7.7% in 1940.

* * *

Hollinger Consolidated Gold Mines has declared 5 cents a share payable Mar. 25, 1942, to record Mar. 11.

* * *

Lake Dufault Mines is continuing its crosscut from the Waite Amulet Mines a farther 300 or 350 ft. to get into the favorable area for carrying out diamond drill exploration to depth. The drive is going out at the 1,150-ft. level. Diamond drilling last year indicated interesting conditions on the main contact zone which dips into Lake Dufault ground. Diamond drilling will be carried out in a further attempt to pick up another ore body.

* * *

Laguerre Gold Mines, Larder Lake area, Ont., has suspended development operations until after the war.

* * *

Northern Empire Mines Co. has declared 10 cents a share payable April 10 to record Mar. 27.

* * *

Ontario gold production dropped from $8,955,274 in December to $8,479,013 in January. A total of 897,785 tons of ore were milled in January as against 898,337 tons in December, the decline in production being primarily due to a decrease in average grade of ore milled. In Jan., 1941, 1,016,430 tons of ore had been milled. The decline in tonnage in Jan., 1942, as against Jan., 1941, is chiefly a result of the Kirkland Lake strike which was settled last month.

* * *

Sigma Mines (Quebec) production showed a decline in the short February month, with daily tonnage higher:

1942	Tons milled	Tons daily	Recov. per ton	Total recov.
			$	$
February	31,923	1,140	7.48	238,930
January	33,933	1,095	7.61	258,122

* * *

Toburn Gold Mines showed a slight increase in output in January:

	Tons milled	Tons daily	Recov. per ton	Total recov.
			$	$
January	3,885	125	14.80	57,231
December	3,875	125	14.51	56,220

* * *

The Riverside mine, Portland Canal mining division, British Columbia, has become a tungsten producer. Some time ago the property which is located on the border between Canada and the United States, near Hyder, Alaska, was acquired by R. H. Scott for salvage of equipment. Tungsten values were revealed, however, and a first shipment of $40,000 of concentrates is reported being made.

Ventures May Take Share In B. C. Iron Programme

From Our Own Correspondent

VANCOUVER.—The long-awaited report of Arthur G. McKee & Co. on the iron and steel possibilities of British Columbia has been released by the provincial government, and simultaneously it was announced by S. G. Blaylock, president of Consolidated Mining & Smelting Co., that the old Granby smelter property at Anyox has been taken over under option by Ventures, Ltd., for scrap iron development.

Understanding here is that Ventures will install a small plant at Anyox to utilize accumulated scrap in that part of the province and subsequently launch a larger project somewhere on the southern coast of the province, probably at Union Bay on Vancouver Island, or at Vancouver.

Tells of Accumulated Scrap

The McKee report, prepared by William S. Haven, vice-president of the Cleveland engineering firm engaged by the Pattullo administration to make an exhaustive survey, mentions Vancouver and Union Bay as the most desirable sites for rolling mills and, later, blast furnaces.

The report states that about 50,000 tons of scrap iron have been accumulated since export was embargoed, and that current local production amounts to about 25,000 tons annually. A mill designed to handle about 20,000 tons annually would consist of electric furnaces for production of steel ingots from scrap and a small mill for rolling bars, billets and rods at a cost of about $1.6 million.

Capital Charges a Factor

A plant for utilizing both scrap and pig iron should have a normal capacity of at least 75,000 tons annually, states Mr. Haven, as capital charges on a smaller plant would be prohibitive. To justify a production of 75,000 tons it would be necessary to obtain the business of American Can Co. at Vancouver and a proposed bar mill to be located in Vancouver.

Raw materials for the 75,000-ton plant would be iron ore—obtainable at Quinsam, Quatsino, Zeballos and Texada Island — coking coal from Comox on Vancouver Island, and limestone from Texada Island.

Total capital expenditure for the larger plant at present day prices is estimated at $16.5 millions. The wide diversity of products that would have to be made to obtain a minimum of 75,000 tons annually is one reason for the comparatively high cost of an integrated plant in British Columbia.

Earnings Possible

Mr. Haven believes that construction of a blast furnance might be postponed for several years if accumulation of scrap iron continues at the present rate, and this would temporarily effect a saving in construction costs of about $3 millions.

"Based on 1941 conditions the smaller plant has earning possibilities of about $350,000 annually and the larger plant $2.1 millions annually, in both cases before deduction of any interest charges on capital investments, amortization, or taxes," states Mr. Haven.

"Future earnings will probably be affected unfavorably by the return of keener competition between the eastern Canadian and foreign suppliers. Favorable to future operations are the prospects of cheaper raw materials, and the greater volume of sales that should follow expected increases in population and greater industrial development of the western Canadian provinces."

La Luz Profit Higher During Last Quarter

Estimated net profit of La Luz Mines for three months ended Dec. 31, 1941, showed an increase to $286,881 from $253,745 the preceding three months.

Bullion production showed an increase to $716,455 from $676,467 while tonnage of ore milled rose from 98,324 to 104,004 tons.

Capital expenditures and outside exploration totalled $185,671 compared with $170,500 the previous quarter.

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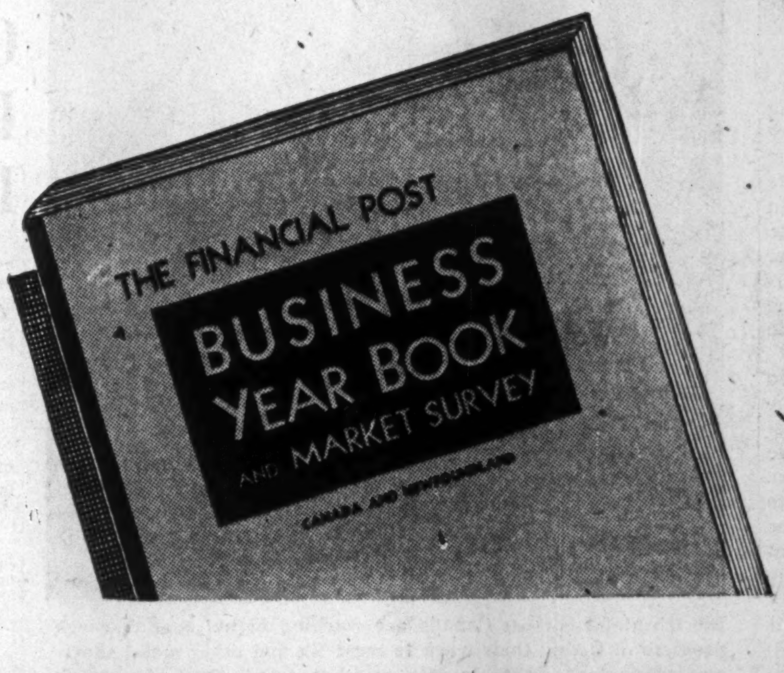

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Canada's Wartime Unemployed

Salesmen Hardest Hit by Switch from Peace to War Production

By A. D. ELLWOOD

In spite of expanding industry and record employment, as well as the plea for the armed forces, Canada has an unemployment problem. It is a problem about which no statistics have been gathered but one on which Ottawa authorities are becoming increasingly concerned.

By government decree, the manufacture of automobiles is ending. Radios are not to be made for the duration. Refrigerators and washing machines are drastically reduced. Makers of almost all lines of rubber goods have been told to shut up their shops.

Not a Factory Problem

For skilled factory workers, and experienced office men, finding a new job is no problem. But for salesmen and some other "white collar" workers whose jobs had to do with selling and servicing a host of civilian items, jobs are disappearing.

First to feel the wartime pinch was probably the brokerage and financial business. Volume of stock exchange trading declined drastically. Far fewer men were needed to handle it and it early became clear to many in this line that they would be well advised to look for other jobs.

This shift has been largely accomplished already. An unusual percentage of these men are in the armed forces, following up connections established with militia units in time of peace. Others have gone to the many government boards and agencies. Some found work in war industry but usually at less money than they had been accustomed to earning. The adjustment may have been painful in many individual cases but it is one that has already been largely accomplished and does not add appreciably to the larger problem that is now developing.

Highlights of what is happening are:

1. Automobile retailers were hit hardest with an estimated 60 to 70% of their sales staffs having to find new jobs.
2. Large companies with diversified output, whose salesmen have engineering training, have been able to absorb many of them into production work. Employers try to keep trained staffs together to the limit possible.
3. Repair and sales of used equipment is increasing in importance.
4. Re-adjustment has been eased by changes due to "natural" causes and to enlistments in the armed forces.
5. The problem is likely to get more serious before the end of the year as inventories of goods on hand are sold and no more are made.

After surveying a number of industries, The Financial Post this week can say that the effect of curtailed civilian production varies widely.

Car Salesmen Hard Hit

Apparently the worst hit are automobile sales and financing businesses. It is estimated by trade sources that between 2,500 and 3,000 men who formerly made their living selling automobiles in the Toronto area alone have had to seek other jobs. On a percentage basis estimates run as low as 60% to as high as 75% of those at one time working at this business who are now out of it.

Some have gone into the armed forces although it appears that the average age of automobile salesmen places them somewhat above the age limits for active service. More appear to have gone into munitions work. A number have joined the numerous government boards and agencies springing up everywhere. In causing their jobs to disappear, the government has set up wage boards, price boards and assorted control mechanisms which have given jobs to many they have displaced.

Insurance companies are said to be seeking the better producers among former car salesmen for their own staffs. Those in munitions work may not be skilled at machine operation but they are intelligent and can quickly learn many inspection jobs where gauges have to be manipulated.

Administrative ability is in demand. A former sales manager for a large auto retailer was snapped up by the naval services to look after procurement of supplies. His organizing ability and experience in handling men proved his best asset.

Selling Service

For the 25% still left in the business most of the larger automobile concerns think they have enough goods on hand to keep going for a year. They can still get trucks; they have used cars and a few new ones.

One idea adopted has been to put salesmen to work soliciting service jobs and paying a commission on work they bring into the repair shops. Generally speaking it is the less successful salesmen who have had to find other jobs with employers striving to hold their best men.

Those concerns which financed installment purchases of automobiles, refrigerators, radios and other durable consumer goods have been hit by reduced business volume. One such company tells The Post that about 25% of its Ontario division staff have been lost. This includes both men and women but almost all of the men have been absorbed by the armed forces. The reduction in staff in this case has been painless. The company has not found it necessary to lay off any employees and if it lost any more at present would probably have to seek replacements. This concern has been favored perhaps more than others because it has a branch handling small personal loans and is interested in financing industrial equipment.

The Post is told that a larger than average number of men employed by installment finance companies are young and have little difficulty finding other places. This has also meant that more of them have joined the armed forces.

Electrical Concerns

The larger companies such as the electrical manufacturing concerns, have found a different solution to the problem. Such companies have large industrial equipment divisions and are heavily involved in production of war materials. Moreover, a large proportion of their sales staffs are technically trained men.

They find other divisions growing faster than the civilian divisions can be cut down. They still have a lot of household appliances to sell and have a rationing problem in distributing these among dealers who could all sell more than they can get. The requirements for "paper work" in large offices has also grown tremendously since the war started. One large Canadian company is said to have about 100 men and women doing nothing else than prepare statistics, handle priorities and rationing and related jobs, all made necessary by government edicts.

Such large concerns have been able to absorb "white collar" workers into active departments as fast, or faster, than they are released by departments that have less to do. They have a vital "salvaging" job to do in trying to keep their dealer organizations together. Salesmen still call on dealers but now instead of trying to sell them goods, they explain rationing problems, induce dealers to go after more servicing work and generally advise them how to weather the storm. Their salesmen help industrial customers to make out priority application forms, generally a complicated job where a number of scarce metals may go into a single piece.

Candy Salesmen

Makers of candy and confectionery are having to cut down on their consumption of sugar by 20% and have problems of supply for other items as well. At the same time their sales have gone up and demand has outstripped production.

The result is that such firms have had to lay off few of their "white collar" workers, if any. They may have had to bring salesmen back into the office or factory. Instead of selling chocolates, salesmen may now be found spending part of their time packaging them in the factory. For the rest they are doing a "rationing" job with their accounts. Some of these companies have laid off considerable numbers of factory workers. These have been chiefly girls and it is claimed they have found little difficulty in getting work in war industries, often at higher wages.

Undoing 30 Years' Work

Paper box companies are faced with a supply problem. Their salesmen may not call on their accounts as often and when they do they are undoing what they have spent the past 30 years in building up. It used to be that paper box salesmen strived to persuade customers to use more, and smaller boxes. Now they use their sales abilities to get back to larger units. There are not enough boxes to go around unless larger units are used. They want to prevent overstocking and keep inventories to reasonable proportions.

In the United States, paper box firms have taken many of their salesmen off the road and are giving them factory training. The idea is that they will be better salesmen when they can go back to their old jobs because they know how boxes are made. They will be able to persuade customers to use the most economical type of box with resulting savings to both customer and manufacturer. This may yet be done in Canada.

No More Rubber

The larger rubber manufacturing companies also have been able to handle their problems of displaced "white collar" workers with relative success to date, primarily because they are busy on large war contracts. They recognize, however, that this may not be true a few months from now. Smaller companies, with little or no war work, have a much more serious problem and one that has not been solved satisfactorily as yet.

Sales departments of rubber manufacturers have been largely eliminated, The Post is told. Most of these displaced salesmen have found other work. What is termed "an amazing number" of enquiries for displaced rubber salesmen is reported by head offices of their former employers. It is said that these men have usually become well established in their own territories and are above the average in technical training and education. For such men the problem of finding new jobs is not too difficult.

Employment services in Canada have not yet had much contact with former "white collar" workers who have need of new jobs. Those directing the government job-finding agencies expect more need for their services before many months.

Unemployment insurance in Canada has just become effective and jobless workers can now get benefits if they have been paying into the scheme since its inception. But Canada's plan does not cover workers earning more than $38 a week. It is claimed that most of the salesmen who have lost their jobs are not eligible. It is said that former salesmen for a medium sized meat packing plant who were laid off preferred to go after jobs on their own account rather than make use of the government services. These men were reluctant to admit they were eligible for unemployment insurance benefits, feeling that this handicapped them in seeking other sales jobs as it is an admission that they were earning $38 a week or less.

Other employment services specializing in placing technically trained and educated men report little contact as yet with the problem of priorities unemployment in Canada. They are alive to a potential problem but to date have had practically no call for their services. They think that six to eight months from now the problem will be much more acute. They claim that it is largely one for the salesman and that it will probably be increasingly hard for such men to find work in selling, or any place else at equivalent pay.

To date most "white collar" workers who have lost their jobs through the switch from peace to war are still trying to find new positions on their own account. Wherever they have technical training, they will probably have little difficulty. The steady absorption into the armed forces makes openings for others. For clerical workers the demand is steady. Larger companies have been able to shift workers from one job to another, particularly where they have war work. Men with proven administrative, or organizing ability are particularly scarce in Canada right now.

Plating May Lick Tin Shortage

Electro-platers across Canada are working nights over research problem of fitting their work to meet tin and other metal shortages. Shown here are bicycle sprockets coming out of pickling baths prior to getting an electrically applied coat of nickel. Your vegetable cans may yet get similar treatment.

China Has Huge Living Cost Increase

The cost of living is going up everywhere since the war started, but no country for which records are available comes close to rivalling China for the dubious record of showing the largest percentage increase. The rise in China is more than five times that of the next highest, Iceland.

Out of a list of 10 countries for which figures are given by the Dominion Bureau of Statistics Canada comes sixth and New Zealand last.

Change Between Latest 1941 Month And

	June 1941 %	Dec., 1940 %	Aug., 1939 %
China	+30.7	+81.8	+369.7
Iceland	+14.2	+24.6	+71.8
Switzerland ...	+4.0	+13.8	+32.8
Peru	+5.1	+8.4	+21.1
United Kingdom	+0.5	+3.1	+20.7
Canada	+4.8	+7.2	+14.9
Mexico	+9.8	+11.6	+12.8
South Africa ...	+2.0	+5.8	+11.3
United States ..	+5.3	+8.5	+10.3
New Zealand ..	+2.2	+3.8	+9.8

Housing Shortage In Toronto

1942 Assessment at $951.6 Millions First Increase in Decade

There is an acute housing shortage in Toronto, W. Geo. Farley, city assessment commissioner, states in the 1941 report of his department. There is no doubt, he says, but that this condition has been brought about to a considerable extent by the influx of people from rural communities to engage in war work.

City of Toronto assessment on which 1942 taxes will be based has been set at $951.6 millions compared with $946 millions in 1941. This is the first increase since 1932.

Among the individual public utility assessments of general interest are the C.P.R. at $13.9 millions, down $293,311 on the year, Bell Telephone at $12.1 millions, up $296,395 and Consumers' Gas at $9.4 millions, down $37,922.

The report notes that the exemption of land and buildings from municipal taxation has become a serious problem in recent years. How this condition has affected Toronto is evidenced by the fact that for this year 18.7% of the city's taxable real property is exempt from taxation.

Montreal Pwr. Plans Finances

$8 Millions of Notes Converted; Pay Balance Out of Cash at Maturity

From Our Own Correspondent

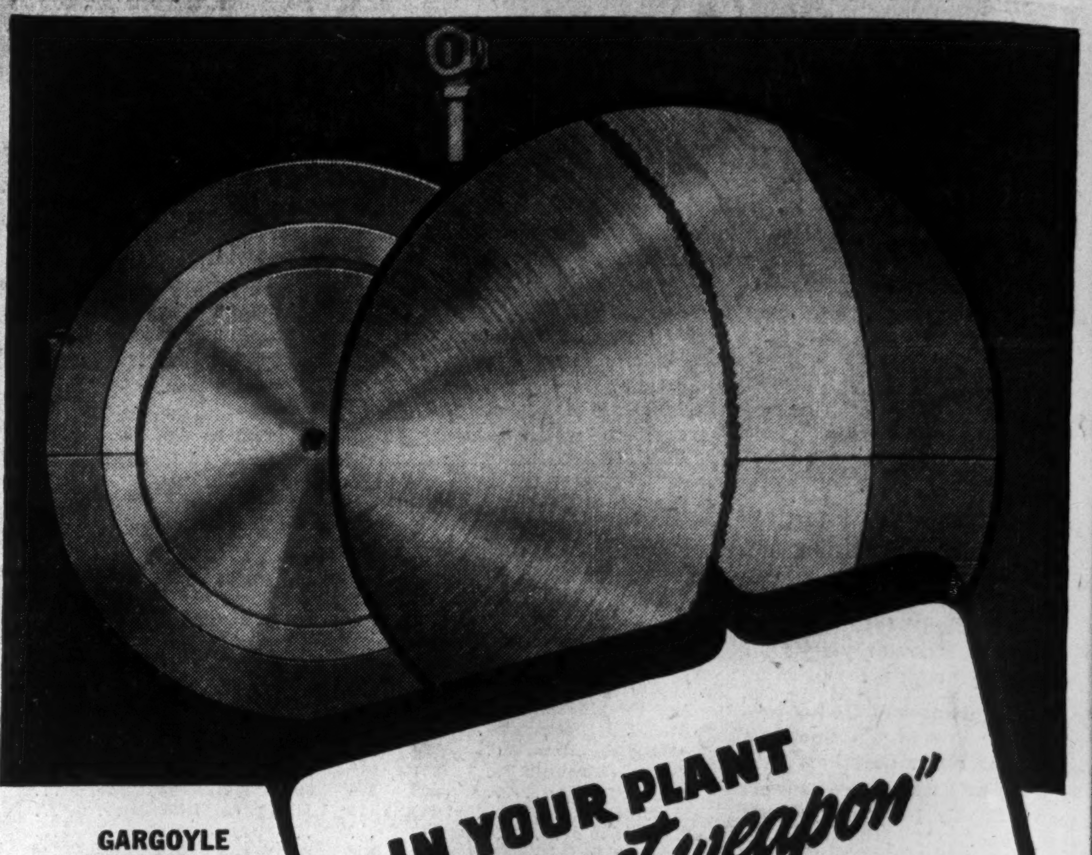
MONTREAL. — Montreal Light, Heat & Power Cons. plans to pay off out of cash resources the $5 millions of convertible note certificates maturing in 1944. Balance of the notes outstanding are expected to be met when they fall due in 1949 without recourse to sale of new securities, according to John S. Norris, president.

Nearly $20 millions of the note certificates are outstanding. Some $5 millions mature in 1944 and the balance in 1949.

Part Are Converted

Last month an offer was made to noteholders to exchange into first mortgage bonds, maturing in 1961, on a par for par basis. This offer resulted in conversion of $8 millions of notes.

On the threatened expropriation of the Beauharnois property, involving upward of $100 millions, it was stated that no action has been taken on the part of the Quebec government to implement the legislation since its enactment in May last.



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Gargoyle Cylinder Oil 600-W—famous for its year-after-year ability to maintain a tough, adhesive film on piston and cylinder walls.

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